“A Hierarchy of Survival: The United States and the Negotiation of International Disaster Relief, 1981-1989”

Dissertation

Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy in the Graduate School of The Ohio State University

By

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Graduate Program in History

The Ohio State University

2010

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2010
Abstract

During the Reagan administration, American policymakers devoted billions of dollars to humanitarian relief in an attempt to create a commercial empire by exploiting natural disasters. My project will serve as an investigation of American international disaster relief—an audit of who mattered most, who lived, and who died.

My project will discuss several major themes, each a topic of debate within the field of American history. On the surface, my research will probe a previously unexamined element of Cold War state-to-state relations—American disaster relief policy. I will examine and uncover the motives behind the idiosyncrasies of American foreign disaster relief, illustrating that policymakers viewed humanitarian, economic, and security concerns as mutually reinforcing when administering disaster relief.

Looking more deeply, however, my project will uncover a second story that ran parallel to American Cold War interests. The implementation of disaster relief provided space for policymakers and private businessmen to negotiate the boundaries of an emerging neoliberal empire that was both justified by and concealed under traditional Cold War discourses. Nations that provided disaster aid thus dictated terms of development in catastrophe-stricken countries. A study of international disaster relief will consequently reveal the ideology of American policymakers, the limits to American power, and emerging global trends obscured by the waning Cold War.
Dedication

This project is dedicated to my beautiful wife, Leslie, and my parents, Madeline and John.
Acknowledgments

There are many people I wish to recognize for their support throughout the writing of this project. Dr. Peter Hahn, my advisor, has provided excellent guidance during my years in graduate school. Dr. Stephanie Smith has worked to open my mind to new approaches and Dr. William Ralph Childs has made suggestions that have sharpened the style and tone of my manuscript. Dr. Robert McMahon made several important suggestions at the beginning of this project that proved very helpful. I owe a great debt to Yale’s International Security Studies, which has funded me during the completion of my dissertation. I also have received support from the Tinker Foundation, the American Foreign Policy Center, and Ohio State’s History Department. M. Peter McPherson and Elliot Abrams both participated in interviews, discussing a story in which they played central roles. Lastly, I wish to thank my colleagues Paul Chamberlin, Chapin Rydingsward, and Ryan Irwin for their ideas and suggestions during my time at Ohio State.
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MAJOR FIELD: History
SECONDARY FIELDS: Latin American History, Recent U.S. History
# Table of Contents

Abstract .................................................................................................................. iii

Dedication .............................................................................................................. iv

Acknowledgments ................................................................................................. v

Vita ......................................................................................................................... vi

Introduction ........................................................................................................... 1

Chapter 1: A Prelude to Catastrophe: America’s Nascent Disaster Relief Policy Explained .................................................................................................................. 20


Chapter 3: The Wayward Eagle and the Invisible Hand: Resistance and Reconstruction After the Mexico City Earthquake of 1985 .................................................................................................................. 111

Chapter 4: A Godfather of Democracy: Security and Survival in El Salvador After the Earthquake of 1986 .................................................................................................................. 152

Chapter 5: Even the Heavens Are Against Us: Rebuilding and Rapprochement in Soviet Armenia, 1988-1989 .................................................................................................................. 185

Conclusion ............................................................................................................. 218

Sources Cited ......................................................................................................... 226
Introduction

On July 7, 1983, Russell E. Marks, President of the Council of the Americas, drafted a letter to Ronald Reagan about a series of devastating floods in Peru. Marks stated that the Council, a business consortium representing General Motors, McDonald's, Exxon-Mobil, Coca-Cola and dozens of other major corporations, had expressed deep concerns about the social and economic distress visited upon the South American nation as a result of the 'El Niño' natural disaster. Marks wrote, "The Council of the Americas represents nearly 90% of the private investment in Latin America. [It] feels that Peru, as a democratic society, merits U.S. support and assistance. Peru, in addition to facing a $750 million loss as a result of 'El Niño', is currently fighting a serious leftist insurgency which seeks to exploit present conditions in that country." With a flourish, Marks concluded, "It would not be in the U.S.' 'best interests' to allow these hard-won democracies to fall to the stresses of natural disaster combined with existing economic conditions. Additional funds are essential."¹

Reagan officials initially allocated only $200,000 in food aid for afflicted areas in Peru, but they would soon re-examine their approach to international natural disasters.² Within one year, the Reagan administration had begun devoting hundreds of millions of dollars to foreign disaster relief, beginning with a broad response to a major famine in

¹ Marks, Russell E to William F. Clark, Special Assistant to the President, 7 July 1983, DI-002, Ronald Reagan Presidential Library (RRPL), Simi Valley, California.
Ethiopia. Marks's letter foreshadowed a series of important decisions by Reagan officials that placed international disaster relief at the center of the Administration's foreign policy.

In recent years, diplomatic historians have investigated a broad spectrum of topics such as decolonization, the importance of non-state actors, the role of global public opinion, and the impact of international protest movements. These models, new to the field of diplomatic history, use events such as the Algerian revolution to investigate structures previously obscured by the Cold War. While the work of Matthew Connelly has revolutionized the way scholars examine the Cold War world, most diplomatic historians still look at crisis through a lens of war, revolution, and unrest. In doing so, scholars have overlooked an important arena of American foreign policy—international disaster relief. In the final years of the Cold War, American policymakers devoted billions of dollars to disaster relief, allowing natural catastrophes to dictate when and where Reagan officials distributed foreign aid. Although the distribution and magnitude of disasters remained out of policymakers’ control, the urgency and size of the American response was decided by officials with clearly defined objectives, ideologies, core values, and priorities. This dissertation investigates American international disaster relief, examining who mattered most and why.

The 1980s represented a thrilling and contentious era in the history of international disaster relief. President Reagan escalated the Cold War during his first
term in office and then drastically shifted his foreign policy in his second term, pursuing a rapprochement with the Soviet Union as Mikhail Gorbachev aimed to ease (and perhaps end) Cold War tensions. The United States, economically crippled by recession at the beginning of the decade, was slowly beginning to regain its fiscal momentum. Reagan officials pursued a controversial economic strategy of tax cuts, deregulation, and privatization in an attempt to spark growth. Both in the United States and abroad, times were changing rapidly and America’s disaster relief policy reflected the growing global changes. The Agency for International Development (AID) and its daughter organization, the Office of Foreign Disaster Assistance (OFDA), served as key instruments in the Reagan administration’s diplomatic tool chest, with high-level officials such as Secretary of State George Shultz and USAID administrator M. Peter McPherson often dictating the day-to-day actions of both organizations. The Reagan administration’s use of disaster aid as a diplomatic demarche coincided with a precipitous increase in natural disasters. This project focuses on four of the largest natural disasters during the 1980s and the responses of American policymakers. I selected these case studies because they represent the four best-documented responses to natural disasters by AID and OFDA during the 1980s, each eliciting thousands of pages of discussion from AID policymakers. All of these cases received attention from AID because of U.S. economic interests, U.S. security interests, or both. Disasters that were not related to American policy goals received far less attention from AID officials. By examining the motives behind these four responses, one

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3 Connelly, Matthew James. *A Diplomatic Revolution: Algeria's Fight for Independence and the Origins of*
can shed light upon AID’s objectives, the goals of the Reagan administration, and
America’s place in the world at the end of the Cold War.

The Ethiopian famine of the mid-1980s resulted in the largest mobilization of
relief resources in U.S. history. The United States contributed more than $500 million to
end the famine, which claimed the lives of seven million Ethiopians. The American
response, superficially a humanitarian effort, was a targeted attempt to discredit socialist
dictator Mengistu Haile Mariam. American leaders frequently clashed with Dawit Wolde
Giorgis, leader of the domestic Ethiopian relief effort, over the manner and location of
relief efforts. Private organizations contracted by the American government, such as the
Red Cross, attempted to distribute aid in Tigray and Eritrea, areas held by anti-
government rebels. Although such actions allowed relief to reach all regions in Ethiopia,
American policymakers drew up their policy with the intent to strengthen rebel areas,
discourage collectivization of land, and take credit for most of the relief effort. Thus,
disaster relief in Ethiopia served a dual purpose: to provide humanitarian aid and to
further American security interests, two goals that AID director M. Peter MacPherson
openly viewed as parallel.

On September 19, 1985 an earthquake of magnitude 8.1 on the Richter scale
struck Mexico City, killing 9,000 people and leaving more than 100,000 homeless.

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1987; $500 million in 1985 is nearly $1 billion in today’s dollars.*

Despite the expansive humanitarian and financial consequences, Mexican President Miguel de la Madrid Hurtado, fearful of appearing as an American puppet, rebuffed initial efforts by the United States to provide an expansive package of relief. De la Madrid eventually received millions of dollars in disaster aid. Even so, the Mexican government resisted rebuilding several large barrios within Mexico City. The residents of the Tepito and Tlatelolco barrios took to the streets, challenging De la Madrid and his party, the PRI. Fearful of domestic strife and mindful of nearing elections, the PRI changed course and earmarked money for the rebuilding of the neighborhoods. Thus, everyday people played an important role in the complicated and often-bewildering dialogue of international disaster relief.

On October 10, 1986, an earthquake shook El Salvador, devastating the capital city of San Salvador, killing 2,000 and leaving 15,000 homeless. Washington responded quickly and effectively to the disaster, providing aid in installments of $1.5 million, $50 million, and $125 million, with the stated effort of restoring El Salvador’s gross domestic product to pre-earthquake levels. American policymakers worked hand-in-hand with Salvadoran President Jose Napoleon Duarte, providing and distributing aid with the support of local officials. Overall, AID's initial commitment to El Salvador was double the value of AID's initial commitment to Mexico, despite the fact that the Mexican earthquake caused considerably more damage. American efforts again melded security

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6Franklin, Ben A. “Quake in Mexico: Fear and Worry North of the Border; Mexico Holding off on Accepting U.S. Aid Offers.” The New York Times. 21 September 1985; Section 1, Page 5.

concerns with humanitarian goals; Secretary of State George Shultz, Speaker of the House Tip O’Neill, and Vice President George H.W. Bush voiced fears of both leftist and rightist challenges to Duarte’s government, upping AID’s commitment to El Salvador one-hundred fold.8

Lastly, an earthquake struck Soviet-controlled Armenia on December 7th, 1988. Officials at AID and OFDA reacted with surprise and excitement when Soviet Premier Mikhail Gorbachev requested American disaster aid for the devastated region. Although policymakers drew up a relatively modest package of less than $10 million in aid, the action represented the first time the Soviet Union accepted aid from the United States since the 1940s.9 AID communiques declared the end of the Cold War, while congressmen such as Senator Bob Dole (R-KS) heralded privately funded rebuilding efforts as the beginning of normalized trade relations between the two countries.10

In assessing the U.S. responses to these four natural disasters, this dissertation advances five core arguments. First, I argue that disaster relief served as an important element to the Reagan administration's Cold War strategy. Reagan policymakers entered office with an ambitious set of foreign policy objectives. With the Vietnam War fresh in the minds of both Congress and the American public, Reagan officials hesitated to press for military and developmental grants for foreign nations. Although the Reagan Doctrine

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boldly vowed to "roll back" communism worldwide, American policymakers faced daunting limitations. M. Peter McPherson, administrator for the Agency for International Development, discovered a solution to the Reagan administration's problem. McPherson noted that Americans still supported humanitarian objectives abroad and he sought to incorporate disaster relief into President Reagan's foreign policy strategy, beginning with the Ethiopian famine in 1984. McPherson thus lobbied to replace unpopular military assistance with a “soft power” campaign that relied on humanitarian relief, pressure from the international media, and the contributions of private aid agencies to embarrass disaster-stricken socialist governments and allow American intervention in communist-contested areas. McPherson however, cared about more than security objectives.

Second, my project sheds early light on the motives of Reagan era policymakers. The dialogue between Peter McPherson and George Shultz demonstrates that Reagan officials possessed a variety of foreign policy goals that both involved and looked beyond the Cold War. The strong American response to the Salvadoran earthquake demonstrates that as late as 1986, Reagan policymakers viewed halting the spread of communism as a top priority in American foreign policy and were willing to spend hundreds of millions of dollars to do so. Reagan officials, most notably McPherson, also noted that structural changes in the global economy were just as or more important than the Cold War. In McPherson’s own words, “I very much believe in free trade. Our role was opening up the economies to both exports and imports, opening up local markets to competition for

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Hoffman, David. “Bush Urges Gorbachev to Show Restraint on Baltic Demands; President Hopes to
the benefit of everyone. My goals involved the economic policies of governments and the private sector.” Thus, policymakers worked to lower trade barriers and encourage the opening of markets in order to further integrate America into the emerging global neoliberal order. These economic goals superseded Washington's Cold War strategy. In 1988, the Reagan administration worked to stabilize Gorbachev's Soviet Union after the deadly earthquake in Armenia, encouraging the Soviets to remain unified and accept American investment. Thus, by the late 1980s, Reagan officials cared less about dismantling the "evil empire" and more about making the world safe for American private capital.

My third argument stresses that disaster relief helped accomplish American neoliberal economic goals during the Reagan years. In the late 1970s and early 1980s, America faced a series of economic challenges that threatened the supremacy of the United States in the Western world. The oil crisis of 1979, the disintegration of the Bretton Woods system, increased economic competition from Europe and East Asia, and rapid inflation threatened global American economic dominance. McPherson and other Reagan officials argued that lowering trade barriers and promoting American investment in foreign countries would allow American firms to remain competitive in a globally integrated market. Thus, funding disaster reconstruction allowed the United States to rebuild the economies of catastrophe-stricken nations in a neoliberal, free-trade friendly

Avert Soviet Crackdown; Dole Briefs Him on Poland.” The Washington Post. 29 August 1989; A17.

11 Interview with M. Peter McPherson, October 4, 2009.
12 For this project, I am defining neoliberalism as “an economic system that promotes an expanded private sector, freer trade, and investment in the economies of foreign countries.”
image, using humanitarian grants to decentralize state-owned government industries and to open the gates to American investment in foreign markets. After the initial shock of a disaster, AID served as a conduit that facilitated American investment in disaster reconstruction through the use of diplomacy and grants.

Fourth, I argue that private companies and relief organizations played important roles in American disaster policy. Although the United States conducted disaster relief on a state-to-state basis, American foreign disaster relief extended beyond traditional, state-based actors to non-governmental organizations. Despite espousing ambitious foreign policy goals in the Reagan Doctrine, Reagan officials exercised principles that restricted the tactics used by AID to distribute international disaster relief. In particular, Reagan policymakers, in line with neoliberal ideas, favored a general strategy of privatization. In the early 1980s, Reagan officials commissioned audits of all major government offices, encouraging federal officials to "cut through red tape" by providing grants to companies in the private sector. The Agency for International Development was no exception. During the Reagan administration, AID gave out hundreds of millions of dollars in block grants to groups such as the Red Cross, Catholic Relief Services, and Price-Waterhouse Cooper for their services in Ethiopia and El Salvador. Thus, public disaster policy became increasingly reliant on private donor groups and companies to conduct the actual relief operations on the ground.

Lastly, and perhaps most importantly, I argue that the decentralized nature of disaster relief allowed a variety of unusual actors to express their agency. Once aid
reached a stricken country, a second dialogue occurred among state authorities, local leaders, and everyday people. Thus, my project aims to reconcile the traditional “top down” approach of diplomatic history with a “bottom up” approach that concentrates on the agency of the masses. The privatization of disaster relief allowed non-state groups dramatically to affect the process of disaster relief. Although Reagan officials and AID drew up the broad strategic contours of disaster relief policy, then authorized private relief organizations to determine exactly how to spend the government's money at the actual site of the catastrophe. These groups often used federal funding to promote their own goals, which occasionally conflicted with the instructions of Reagan policymakers. While private groups could access disaster-stricken regions that government officials could not, such as rebel-held areas in socialist Ethiopia, non-governmental organizations often used this leverage to undermine the strategic and economic goals of their donors. Thus, the Reagan administration's strategy of privatization allowed a broader and faster response to disasters, but at a cost to its own policy goals.

Additionally, disaster victims, the media, and ordinary American citizens all played roles in determining Washington's disaster relief policy. Although Reagan officials used international disasters to decentralize state services and introduce foreign investment, citizens of catastrophe-stricken states occasionally resisted the entreaties of both their host state and the United States. In Mexico, barrio residents organized to protest government land seizures, forcing both Washington and Mexico City to approach disaster relief with the agency of ordinary people in mind. Furthermore, the international
press frequently highlighted disasters across the world, pressuring American policymakers to intervene in nations they would have preferred to avoid entirely. Constant media coverage of the Ethiopian famine and subsequent pressure from American citizens forced the Reagan administration into an uneasy partnership with the socialist Mengistu government, illustrating the power of non-governmental agents in the process of disaster relief.

This project consists of five chapters, each of which sheds light on American disaster relief policy in a different way. The first chapter provides a succinct history of disaster relief, beginning in the First World War, and introduces the reader to the Agency of International Development and the Office of Foreign Disaster Assistance. In particular, I highlight the changes within AID imposed by the Reagan administration during the 1980s. Reagan officials audited AID in 1982, concluding that disaster relief would be more efficiently conducted through contracts with private organizations. The issue of privatization factored heavily in U.S. policy toward Ethiopia, helping American goals in some cases, inhibiting American goals in others. Additionally, the chapter focuses on many of the internal AID documents that outlined the core values of the agency. AID Administrator Peter McPherson explicitly argued that there was no divide between humanitarian aid and American security and financial interests. AID leaders used disaster relief to achieve a wide range of goals, including discouraging states from nationalizing industries, ending collectivization of land, and promoting free trade between nations.
Chapter two focuses on American disaster relief in Ethiopia. It examines the tension between AID officials and the Provisional Military Government of Socialist Ethiopia (PMGSE). After some initial hesitance, Reagan officials drew up an expansive plan to provide aid to Ethiopia, aimed both at providing relief and undermining the socialist government. The second chapter concentrates on AID efforts to restrict collective ownership of land, reduce mass migrations of people, utilize private organizations to administer aid to rebel-controlled areas, reduce PMGSE involvement in the relief effort, and restrict aid to Ethiopian resettlement camps. In particular, I will discuss how these efforts by American leaders were largely unsuccessful; infighting between Ethiopian and American officials inhibited the distribution of aid and private organizations administered relief both to rebel areas and government-controlled resettlement camps. Such headaches contributed to American withdrawal from Ethiopia in 1986.

Chapter three examines the Mexican earthquake of 1985, highlighting the growth of neoliberal economic policies in Mexico as a result of the disaster. The chapter discusses Mexico’s decision to refuse international relief from the United States and the PRI’s subsequent slow response to rebuild the barrios of Tepito and Tlateloloco. In particular, the chapter highlights how the PRI’s sluggish response to the earthquake coincided with its desire to abandon left-leaning elements of their platform, privatize government-controlled industries, and open avenues for foreign investment. Thus, the disaster accelerated and aided the PRI’s shift in ideology. Local acts of resistance from
residents of Tepito and Tlateloloco, however, forced the increasingly unpopular PRI to change course and shift its rebuilding strategy. The importance of everyday people to the rebuilding of Mexico City illustrates how expansive and complex the dialogue regarding international disaster relief actually was. While the key actors in Ethiopia consisted of AID officials, Ethiopian leaders, and private aid organizations deputized by U.S. government, the key actors in Mexico included PRI officials and ordinary Mexican citizens. This chapter emphasizes the “bottom-up” elements involved in disaster relief and is crucial to the dissertation as a whole.

Chapter four discusses the rebuilding efforts of El Salvador, contrasting the relative ease of disaster relief there with the difficulties experienced in Ethiopia and Mexico. Unlike Mexico, disaster relief in El Salvador was a “top down” affair involving a dialogue between high-ranking officials of the two nations. AID officials worked to bolster the government of Jose Napoleon Duarte, who was under fire from both the FMLN and the right-wing ARENA party. In order to support Duarte, AID worked to restore El Salvador’s economy to its pre-earthquake GDP, effectively using disaster assistance to stave off destabilizing challenges to an American-friendly leader. Additionally, AID policymakers enlisted the assistance of the private sector, allowing American firms a hand in reconstructing the capital city of San Salvador. High-level policymakers such as George Shultz and George Bush scrutinized AID policy in El Salvador, assisting McPherson in acquiring more than $200 million in funds.

The final chapter examines American disaster relief in the Soviet Union,
emphasizing how AID officials viewed the administration of relief as a watershed moment in the Cold War. Although American aid to Armenia was largely a symbolic gesture, American leaders viewed the action as an opportunity both to support the fragmenting government of Mikhail Gorbachev and to pry open Russian markets. The efforts of AID officials to use disaster relief as a catalyst to improve relations between the two superpowers demonstrates that many policymakers envisioned a post-Cold War world that involved a weakened, but intact, Soviet Union.

This project is influenced by an eclectic body of scholarly work. My study is in dialogue with Naomi Klein's recent study of disaster relief. Klein, a public intellectual, discusses the spread of neoliberalism in Chile, China, Poland, and Russia, connecting the adoption of Milton Friedman's economic theories to political changes in these nations. Klein discusses neoliberalism within the United States, describing how Hurricane Katrina and the war in Iraq provided neoliberal American policymakers with an opportunity to reconstruct New Orleans and Baghdad in the manner they saw fit.13 My work does not refute Klein's narrative, but it places the emergence of an American neoliberal strategy two decades earlier. McPherson’s ideas influenced Reagan policymakers in the early 1980s, twenty years prior to the events Klein describes.

Additionally, my project merges the “top-down” approach of traditional diplomatic history with the “bottom-up,” resistance-based ideas of James Scott. A professor of anthropology and political science at Yale University, Scott published the

seminal work *Weapons of the Weak: Everyday Forms of Peasant Resistance*. This book examines peasant life in Malaysia, concluding that subaltern groups of Malaysian farmers exhibited continuous, albeit often unsuccessful, resistance to their landlords. Scott asserts that oppressed groups are never tricked into fully submitting to dominance, thus arguing for the importance of everyday people in history. My project will reconcile Scott’s work with diplomatic history by showing how the resistance of ordinary citizens played important roles in Mexico and Armenia.

My project also incorporates the ideas of Harry Cleaver, an economist from the University of Texas-Austin, who in 1988 published an analysis of the 1985 earthquake in Mexico City. Cleaver argues that both the Mexican government and residents of Mexico City barrios used the earthquake for their own ends— the government tried to use the disaster to decentralize the federal state and encourage foreign investment while barrio residents wished to protect their residences from being condemned and seized by wealthy developers. The Mexican government achieved its goals by promising local citizens a role in the reconstruction process. Cleaver's study is one of the earliest investigations of "disaster capitalism". Overall, Cleaver's work demonstrates how the Mexican government manipulated a natural disaster to introduce neoliberal reforms, while at the same time recognizing the agency of ordinary citizens. Although Cleaver's arguments predate my own, my research tests Cleaver’s conclusions by introducing official sources from the Mexican government that are absent from his work.

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My dissertation contributes to the emerging historiography on Ronald Reagan and the 1980s. Lou Cannon, a journalist, wrote one of the first well-researched biographies of the President. He describes Reagan as a detached and uninvolved leader who relied heavily on the leadership of his advisors. To Cannon, Reagan’s presidency was simply another acting assignment. Other biographers, however, argue that Reagan played a more robust role in the White House. John Diggins’ study, credits Reagan for breaking with his advisors on issues of foreign policy. Diggins stresses that Reagan was willing to trust Mikhail Gorbachev, ignoring pleas from Secretary of Defense Caspar Weinberger as the Soviet leader carried out reforms. Biographer Gil Troy goes even further, arguing that Reagan was a skilled negotiator who was keenly aware of the political battles he was capable of winning. Unafraid to scorn the right and enrage the left, Reagan might not have formulated neoliberal economics, but he was uniquely capable of implementing them, even if it meant defying his advisors. To Troy, Reagan’s combination of deregulation, privatization, and political theatrics personified the 1980s. My research demonstrates that Reagan’s dependency on his advisors was often complicated by his stubborn desire for independence. While Reagan closely followed the suggestions of policymakers in Mexico and El Salvador, he withheld food aid to Ethiopia in 1983, defying George Shultz, M. Peter McPherson, and Democratic and Republican

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congressmen for months. It was Reagan who went off-script in 1988, making a surprise offer of earthquake relief to Mikhail Gorbachev and shocking policymakers at AID. Although Ronald Reagan may have relied on the talents of others during his tenure in office, my dissertation stresses he was much more than a neoconservative puppet.

This project will also contribute to an emerging body of scholarship about the motives behind disaster relief and the role of non-governmental organizations. Peter MacAlister-Smith’s study examines the importance of international relief groups such as the United Nations Disaster Relief Organization and the International Red Cross. Although MacAlister-Smith does not examine the disaster relief policy of the United States government, he provides strong historical and background information about non-governmental organizations with whom the United States government and the United Nations collaborated. In particular, MacAlister-Smith describes how the United Nations, the Red Cross, and other private assistance groups forged an official alliance during the 1970s and 1980s, allowing the UN to respond to natural disasters by privatizing relief efforts. My project demonstrates that AID policymakers followed a parallel path, adopting similar policies because of the Reagan administration’s emphasis on privatization. J.M. Albala-Bertrand’s study discusses the economic consequences of disaster within a political state. Although Albala-Bertrand does not focus on American disaster relief, the author discusses how international aid contributes to economic

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reconstruction in times of crisis, thus explaining the rationale behind policy decisions.\textsuperscript{20} Additionally, Andrew Natsios, a former AID administrator, completed a study that looks at American humanitarian policy during the 1980s and 1990s. Although Natsios connects disaster relief to issues of national security, economics, and privatization, he examines a different set of catastrophes, including man-made crises in Somalia, Panama, and Kuwait. Natsios concludes that non-governmental organizations do a better job of providing relief than donor governments, but bemoans the autonomy that private organizations possess after they have received public grants.\textsuperscript{21} My chapter on Ethiopian famine relief supports Natsios’ claims by demonstrating how Catholic Relief Services often ignored directives from AID officials.

Finally, a study of disaster relief is important for two reasons. First, the humanitarian policies of the U.S. government affected millions of lives in the 1980s. The American response to disasters in Ethiopia, Mexico, El Salvador, and Soviet Armenia totaled more than one billion dollars and provided assistance to more than six million people. Although disaster relief represented only one component of the Reagan administration's foreign policy strategy, the sheer scope of American humanitarian relief ensured that the world was watching each time a major international disaster occurred-- a fact Reagan policymakers were keen not to overlook. Second, a study of disaster relief


policy demonstrates that the 1980s represented an unpleasant era of transition for the United States. AID policymakers relied upon disaster relief both to weaken socialist Ethiopia in 1984 and to strengthen Mikhail Gorbachev’s rule in Soviet Armenia in 1988. At the same time, M. Peter McPherson led a frenetic drive to use disaster relief as a vehicle to encourage U.S. foreign investment in response to two major recessions and growing foreign competition. Thus, the Reagan administration’s neoliberal disaster policy, developed during the final years of the Cold War, reveals the United States as a flagging superpower desperately trying to remain relevant in a changing world. This narrative still holds weight today.
Chapter One

“A Prelude to Catastrophe: America’s Nascent Disaster Relief Policy Explained”

In July 1981, M. Peter McPherson, the new administrator for the Agency for International Development, unveiled a surprise plan for one of his most important offices. He advised policymakers at the Office for Foreign Disaster Assistance (OFDA) to prepare for Southern Cross, a secret training exercise. Southern Cross, McPherson informed, required all OFDA personnel to prepare for a massive international disaster and to respond expeditiously when that disaster occurred. This imaginary disaster, McPherson explained, would strike between July 22nd and July 26th, 1981 and would be massive in magnitude and scope. OFDA officials were required to be on call 24 hours a day; McPherson reserved the right to commence the exercise at any hour during that week. The disaster, McPherson stated, would take place in one of several fictional countries, each of which closely resembled a nation that was a frequent recipient of American development assistance. The AID administrator urged policymakers to take Southern Cross seriously, because OFDA would play a pivotal role in the Reagan administration’s global strategy when an actual disaster occurred.
Southern Cross, however, was more than just a simple training exercise. McPherson’s fictional disaster illustrated the elevated importance of international disaster relief in AID’s foreign policy strategy. Although international disaster relief had served as a component of American policymaking since the 1920s, the American response to catastrophes abroad was wider and better funded than in any previous decade. As disasters unfolded throughout the 1980s, Reagan policymakers depended on AID and OFDA to distribute relief and reconstruction assistance to countries in Africa, Asia, and Latin America. The AID administrator’s emphasis on preparedness thus foreshadowed the important role that disaster relief would play in the realm of American foreign policy. The round-the-clock phone calls, telegrams, negotiation, and coordination exhibited by OFDA officials during Southern Cross would be repeated many times throughout President Reagan’s two terms in office.

The first objective of this chapter is to provide a brief history of disaster relief in the decades leading up to the Reagan administration. The influenza outbreak during the First World War and subsequent famines in Central Europe and Russia allowed for the creation of private and public structures designed to respond to international disasters. As the Cold War began, official structures for disaster relief emerged. The Vietnam War, however, deflated the growing focus on international development. As Congress vetoed foreign aid bills, American policymakers searched for new ways to promote development

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1 McPherson, “Summary Description of Exercise Southern Cross,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Southern Cross” DSTR RELIEF FY 81-83, National Archives, 21
abroad that were not associated with the foreign policy failures of the 1960s and 1970s. They turned to disaster relief.

Second, this chapter discusses the elevated role of international disaster relief during the Reagan administration. The lobbying of Peter McPherson allowed the scope of American disaster policy to expand dramatically throughout the 1980s. McPherson’s strategy relied upon both national security and economics. In line with other Reagan policymakers, the AID administrator stressed that the Cold War was worsening during the early 1980s and that the United States needed to pursue a more aggressive foreign policy toward Soviet-aligned states. At the same time, McPherson argued, the United States faced a threat of a different nature. The economic recessions of the late 1970s and early 1980s necessitated a shift in America’s global economic strategy, the AID administrator argued. By lowering trade barriers and promoting investment in foreign states, the Reagan administration could assist American firms in an increasingly brutal global economy. Thus, the AID administrator advocated a neoliberal economic strategy. A possible solution to America’s security and economic dilemmas, according to McPherson, was disaster assistance. The American people, McPherson argued, would support foreign intervention, so long as it was in response to a large natural disaster. McPherson also argued that disaster reconstruction would allow Reagan policymakers to restructure foreign economies in a manner that would be friendlier to lower trade barriers.
and private investment. In his own words, “the prior administration had gotten too much into goods and services as opposed to economic growth. I tried to re-do the balance.”

McPherson’s lobbying eventually paid off. As international disasters (and their copious press coverage) occurred throughout the 1980s, Reagan officials turned to McPherson, AID, and OFDA to protect American interests, both security and economic, abroad. By 1988, Southern Cross seemed like a wise and prescient exercise that foreshadowed the direction of Reagan-era policymaking.

This chapter engages existing scholarly work written about American policy regarding disaster relief and developmental aid. Alfred Crosby’s America’s Forgotten Pandemic discusses the outbreak of the Spanish influenza during the First World War and the response of an unprepared United States. In particular, Crosby focuses on local and private mobilization to the crisis. Benjamin Weissman’s Herbert Hoover and American Famine Relief to Soviet Russia is a cogent analysis of the future president’s food relief policy during and after World War One. Weissman demonstrates that Hoover used famine relief to accomplish political objectives in both Belgium and the Soviet Union, tactics that foreshadowed American strategy during the 1980s. Michael Hogan’s The Marshall Plan discusses the links between security and economic policy during the early

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2 Interview with M. Peter McPherson, October 4, 2009.
Cold War.\(^5\) Hogan reveals how New Deal policymakers used foreign aid to integrate European economies into an American-friendly system through the Marshall Plan. Peter McPherson was a scholar of the Marshall Plan himself, and even authored a book on the topic. Burton Kaufman’s *Trade and Aid* demonstrates that the United States continued to use developmental aid to accomplish political and economic objectives, despite the best efforts of the Reagan administration.\(^6\) Erin Black’s unpublished thesis focuses on the emergence of AID during the early 1960s, connecting the creation of the agency to President Kennedy’s emphasis on developmental aid.\(^7\) Lastly, a recently published monograph, Kristen Ahlberg’s *Transplanting The Great Society*, discusses the political use of famine relief during the Johnson administration.\(^8\) All of these studies investigate the emergence of American developmental aid and disaster relief policy, revealing the eventual foundations of the Reagan administration’s multi-billion dollar commitment to disaster relief during the 1980s.

I. *The Origins of American Disaster Relief Policy*

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The history of American disaster relief dates back nearly a century, when two parallel global crises forced the United States to look at catastrophes through a political lens. The outbreak of the Spanish flu pandemic and Herbert Hoover's adventures with the American Relief Administration served as starting points that guided public and private officials through the initial steps of organization necessary to respond to an international disaster. American officials were nearly overwhelmed by the Spanish Influenza outbreak of 1918. The epidemic killed over 20 million people globally, more than double the number of military deaths in the First World War. The disease, which originated in the United States, quickly spread worldwide as American soldiers voyaged to Europe, taking pathogens with them to the front. As the epidemic spread, American officials found themselves entirely unprepared to deal with a global catastrophe. The United States Public Health Service (USPHS) lacked both the funds and the authority to establish the quarantine necessary to contain the disease. Although USPHS distributed thousands of flyers warning Americans about the epidemic, its ability to respond was hampered by the fact that thousands of doctors were overseas, serving in the war. In fact, official policy may have actually spread the flu, as hundreds of young men gathered in long lines to respond to draft notices, providing potential carriers with a forum to infect hundreds of others in urban areas. The USPHS, however, could only recommend "bed rest, good food, salts of quinine, and aspirin for the sick."9

9 Crosby 30, 31, 46.
Private relief groups responded most quickly to the epidemic, organizing at a rapid pace in order to stem the spread of disease. Faced with an absence of doctors, the Red Cross launched a campaign to recruit nurses and other volunteers to care for the sick. The Red Cross possessed the national infrastructure to impose an order upon the volunteers, distributing nurses to local divisions according to need. By the time the USPHS had received the funds necessary to make a major call for volunteers, the Red Cross had already organized a national network of nurses. Local governments also responded to the epidemic with some success. Philadelphia officials set up a phone hotline for the care of influenza victims and local businesses provided transportation to hospitals when no ambulances were available. In San Francisco, local officials encouraged citizens to wear masks in public, thus slowing the spread of the disease. In total, the Spanish Influenza killed more than 500,000 Americans.\(^{10}\)

Although the epidemic took a brutal toll on American city dwellers, many more people could have died if not for the organizational efforts of private groups. While the USPHS returned to its previous level of funding during the 1920s, private groups now possessed a blueprint of how best to respond during a large-scale disaster. Later on, this expertise allowed American private groups to intervene in international catastrophes when funded by the federal government.

\(^{10}\) Ibid 51, 80, 98, 207.
The Spanish Influenza was not the only global disaster that occurred during the First World War. The outbreak of fighting across Europe led to a global famine that affected more than twenty-five million people.\textsuperscript{11} The United States was in an unusual position to affect the course of the war through distribution of famine relief. Thus, World War I provided American officials with their first opportunity to use disaster assistance to achieve political gain. After the war, American policymakers continued to provide famine relief in the new Soviet Union, to the frustration of Lenin and other Soviet officials.

In 1914, the German occupation of Belgium cut off the Belgians from the British, who provided the small European nation with much of its food. Thousands faced starvation. American businessman Herbert Hoover posed a solution. Using both private and federal money, Hoover formed the Commission for Relief in Belgium. Hoover pleaded with the British to allow the Commission to distribute food across the British blockade, stressing the importance of "maintaining the Belgian people and their national integrity". Hoover's motives were not entirely humanitarian. By assisting the Belgians, he succeeding in "intensifying the competition between England and Germany for the sympathy and support of the neutral countries, particularly the United States."\textsuperscript{12} Thus, famine relief served as a means to play England and Germany against each other, in the hope of fulfilling American commercial interests.

\textsuperscript{11} Weissman 5. 
\textsuperscript{12} Ibid 23.
Hoover's humanitarian strategy continued after the war ended. In 1919, he received $100 million from Congress to create the American Relief Administration, an organization designed to distribute food relief to nations in need. The ARA soon played a role in Russia's ongoing civil war. While the Bolsheviks seemed poised to extend their power across the Russian empire, a famine threatened the survival of millions of Russians. Not surprisingly, Hoover used the ARA to distribute famine relief in the new Soviet Union, earning a mixed response from Soviet leaders. Hoover possessed a wide variety of motives for distributing food within the Soviet Union. As a progressive, Hoover was motivated by humanitarian ideals. He resisted Allied participation and control within the ARA, stating "the sole object of relief should be humanity. It should have no other political objective or aim other than the maintenance of life and order." On the other hand, Hoover was a firm anti-communist who believed that the defeat of Bolshevism was itself a humanitarian goal. He lectured Woodrow Wilson on the "utter foolishness" of communism, favored near-isolation of the Soviet Union, and proposed famine relief as a means to halt the advances of the Reds.

After a series of missteps, Hoover, having recently been appointed as Secretary of Commerce, began distributing food in the Soviet Union in 1921. Hoover's actions divided Soviet leaders, who recognized the need for an international response to the famine but did not trust the United States. The United States and the U.S.S.R. fought constantly over the role of the ARA in Soviet Russia. Hoover resisted giving Soviet
leadership control over ARA activities; not surprisingly, ARA officials frequently found themselves under the surveillance of Soviet secret police. Overall, the results of the ARA's expedition were mixed. The ARA succeeded in feeding hundreds of thousands of people in the Soviet Union, lessening the effects of the famine. Additionally, competition from a foreign source forced the Bolsheviks to respond more aggressively to starvation within Russia in order to preserve the loyalty of people affected by the crisis. Although Hoover's humanitarian goals succeeded, his strategic motives remained unfulfilled. Immediately after reaching the Soviet Union in 1921, ARA officials reported that the Bolsheviks were not likely to be overthrown, even if famine relief efforts succeeded. When the Soviets began exporting grain in 1923, ARA officials left the U.S.S.R. altogether, frustrated that their accomplishments had been consistently ignored and unrecognized by Soviet leaders. When Stalin took power, he removed almost all traces of ARA participation from Soviet records.\footnote{Ibid 29, 31, 195, 194.}

The public and private responses to the Spanish Influenza and Herbert Hoover's famine relief policy provided the foundation for later disaster relief policy. The Great Depression, however, forced American officials to curtail expensive actions abroad and focus on difficulties within the United States. It was not until after World War II that policymakers embarked on another major project that involved disaster assistance. In 1947, American policymakers introduced the Marshall Plan to Europe.
State Department, the Marshall Plan invested $13 billion in American capital in Europe, to rebuild war-torn European nations, reconstruct Europe's economy in an American image, and stave off the spread of communism. American policymakers drew from a wide variety of influences when constructing the Marshall Plan. The influence of Herbert Hoover's economic policies played an important role. Hoover favored vigorous cooperation between government and the private sector during the 1920s and early 1930s, hoping to make the economy run more efficiently through government-facilitated industry self-regulation. However, American policymakers were also influenced by Franklin Roosevelt's New Deal and the ideas of economist John Maynard Keynes. Thus, they also sought to reduce economic differences between the United States and Europe, introduce new regulation to European economies, and place more agency in the hands of European consumers. The Marshall Plan was a compromise between these two sets of ideals. On the one hand, American officials relied on expertise and capital from the private sector in order to provide assistance and investment to Europe. On the other hand, the Marshall Plan served as a "New Deal for Europe" that effectively Americanized European economies and encouraged Western Europe to side with the United States in foreign affairs. Largely successful, the Marshall Plan helped create the fastest period of economic growth in European history and was instrumental in Europe's economic recovery. Thus, the catastrophic damage resulting from World War II served as a means

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14 Hogan 5.  
15 Hogan 23.
for American policymakers to reshape European markets, find new avenues for trade, and contain Soviet influence. This mix of security, economic, and humanitarian motives served as a model that future officials would follow.

As the Cold War progressed, a political consensus about foreign aid gradually emerged. Throughout the 1950s and 1960s, both Democratic and Republican presidents pushed to expand the ideas of the Marshall Plan to include developing nations as well. This increase in foreign assistance was designed to reduce trade barriers and stave off Communism in the Global South. In sum, developmental aid was no longer a European issue. The proliferation of foreign aid, however, was not a foregone conclusion. In the early 1950s, the Eisenhower administration pursued a policy of "trade, not aid" toward developing nations. With the nation still reeling from the financial costs of the Korean War, foreign expenditures that were not based around military assistance seemed like risky and unnecessary luxuries. As the 1950s progressed, however, the Eisenhower administration began to re-evaluate the role of aid in American foreign policy. Although American policymakers initially focused on issues of security and trade in Europe, "the pressing problems of the Global South-- its economic development, the rising tide of nationalism, the inadequacy of trade and private investment as a solution, and Soviet economic efforts among underdeveloped countries caused Eisenhower to re-examine his thinking."¹⁶ As early as 1954, the Eisenhower administration began emphasizing the

¹⁶ Kaufman 4, 7.
importance of public assistance to developing countries as a keystone to a policy of
global containment.

Eisenhower policymakers initially viewed private investment as the catalyst that
would promote development within the Global South. While not opposed to foreign aid,
policymakers placed public assistance second to private capital, emphasizing that
developmental assistance was intended to complement, not take the place of, private
dollars in new markets. Eisenhower officials stressed that foreign aid should be in the
form of low-interest loans, not billion-dollar grants. By the mid-1950s, however,
American policymakers shifted their strategy in response to fears about the growing
Soviet threat. Senator Eugene Millikin pressed the Eisenhower administration to change
its policy, stressing that Soviet tactics had eschewed "overt military aggression" in favor
of "more subtle forms of expansion that emphasized political, psychological, and
economic means." Additionally, the rapid expansion of the Soviet economy in
combination with the success of the Soviet nuclear program scared American officials.
Eisenhower policymakers took Millikin's advice and began to draw connections between
long-term economic development and political objectives in the Cold War. A global
conflict necessitated a global strategy and foreign assistance seemed the ideal deterrent to
the spread of communism. The State Department differentiated between military and
economic aid, making developmental assistance the higher priority. In 1958, the federal

\[17\] Ibid 96
government apportioned $1.8 billion for international military assistance and $2.1 billion for international development aid, the first time since the start of the Korean War that economic assistance had surpassed military aid.\textsuperscript{18} Today, the federal government spends $53.9 billion on developmental aid yearly.\textsuperscript{19}

The Kennedy administration built upon the values of Eisenhower policymakers, aggressively expanding the role of foreign aid in Washington's Cold War strategy. Walt Rostow, who lobbied for an increase in developmental aid during the Eisenhower administration, won a more prominent role in policymaking during the Kennedy years. Rostow created a five-stage model for economic growth that emphasized the importance of foreign assistance and global capitalism in reducing poverty and increasing consumption in developing economies. Overall, Rostow conceived the 20th century as an era of transformation in which halting the leftist "romantic revolutionaries" in the developing world would lead to "a period in which the major world concerns will be modernization, settlement, reconciliation, and cooperation."\textsuperscript{20} Thus, liberal economic development and foreign aid would serve as the tools necessary to reduce security threats to the United States, modernize emerging nations, and construct a more humane, democratic, and prosperous world. To Rostow, the economic, security, and humanitarian benefits of foreign aid were tightly interwoven. Not surprisingly, the Kennedy administration listened to Rostow and emphasized the importance of developmental aid

\textsuperscript{18} Kaufman 135.
\textsuperscript{20}
when drawing up policy. In 1961, Kennedy officials created the Alliance for Progress, a plan intended to foster economic development in Latin America, while simultaneously discouraging Cuban communist influence. The Alliance for Progress tripled public assistance to Latin American, totaling $22 billion in loans over the course of the Kennedy and Johnson administrations.\(^{21}\)

Additionally, the decisions of Kennedy officials set the stage for Reagan-era disaster relief policy. Kennedy officials created the Peace Corps, which allowed young Americans to provide technical expertise in developing nations. The Kennedy administration also expanded the Eisenhower administration's Food for Peace program, which more easily allowed American food to be distributed to nations experiencing shortages. In 1961, President Kennedy signed the Foreign Assistance Act, which placed a more coherent organizational structure upon the bureaucracy of foreign aid. The Foreign Assistance Act created the Agency for International Development, which had the sole purpose of giving other nations developmental grants.\(^{22}\) AID began a series of ambitious developmental projects designed, in the words of J. William Fulbright, "to grow more food; to rent communication stations; to train foreign tax collectors; to provide emergency relief from disasters; and to support multifarious United Nations activities which themselves range from feeding children, to killing malarial mosquitoes,

\(^{20}\) Washburn and Mitchell 10.
\(^{22}\) Black
to irrigating Pakistan."23 One of AID's objectives was providing disaster relief to catastrophe-stricken nations. In 1964, AID officials created the Office of Foreign Disaster Assistance, the first public organization dedicated solely to providing aid to foreign countries during and after large natural disasters. Although the OFDA possessed an operating budget of only a few million dollars during the 1960s and 1970s, it would later distribute billions of dollars in relief to Ethiopia, Mexico, El Salvador, and Soviet Armenia during the Reagan administration.24

President Johnson viewed foreign assistance as a worldwide extension of his ambitious Great Society reforms within the United States. In particular, Johnson emphasized famine relief. The Johnson administration frequently used the Food for Peace program to serve humanitarian, economic, and security objectives abroad, distributing billions of dollars in food aid to India and Israel during the mid-1960s.25 The Vietnam War, however, posed a considerable challenge to the aid-friendly policies of Johnson officials. As the conflict escalated, foreign assistance was diverted from developing nations in the Americas and Africa to South Vietnam. By 1966, foreign aid to Vietnam dwarfed assistance to other nations by a ratio of nearly two to one.26 As Washington began to contemplate an exit from the costly Vietnam conflict, support for foreign aid dwindled in Congress as the Senate began to challenge the assistance-based

23 Ibid.
24 OFDA Records, RG 286, Stack 150, Row 41, Compartment 11, Shelf 07,” DSTR RELIEF FY 81-83, NACP.
25 Ahlberg.
strategy that Walt Rostow had championed a decade earlier. Senators criticized foreign aid as costly and ineffective. President Richard Nixon curtailed Alliance for Progress spending, dismissing the program as a failure that did not improve the standard of living in Latin America. In 1970, Senator Allen Ellender remarked, "this AID program has been made available now for almost twenty years. It was supposed to stop what is happening in Southeast Asia, stop what is happening in the Middle East. If you read back years ago, you will find out that foreign aid was supposed to stop all that is happening now by getting these people on their feet, self-help, and so forth. But it has not worked that way, and yet we keep dishing it out." As the United States started to pull out of Vietnam, Washington reduced its financial commitments abroad. Beginning in 1969, money appropriated for foreign aid declined, reaching a low point in 1974. Developmental aid remained static throughout the 1970s, as domestic economic problems restricted the money Congress was willing to spend on foreign assistance throughout the post-Vietnam era.

Although policymakers distributed foreign aid more conservatively during the 1970s, the American public's interest in humanitarian causes increased. In 1970, a cyclone hit Bangladesh, killing more than 300,000 people and destroying crops; famine threatened the lives of millions. In August 1971, a group of popular musicians including Bob Dylan, Eric Clapton, and George Harrison hosted the Concert for Bangladesh in

26 Black.
27 Black.
Madison Square Garden. Over 40,000 people attended, raising $250,000 in disaster relief for UNICEF. The concert mobilized the American public, as tens of thousands of people contributed to relief efforts. Private groups, which developed an organizational structure to respond to large-scale natural disasters during the First World War, could now benefit from the attention and contributions of a sympathetic American public. The Concert for Bangladesh foreshadowed humanitarian mobilization in response to the Ethiopian famine of 1984.

In 1981, Reagan officials began a new chapter in the story of foreign aid. The ambitious language of the Reagan Doctrine delineated a strategy to "roll back" Soviet influence, instead of simply "containing" it. Despite the President's rhetoric, his mandate was limited by post-Vietnam concerns and fears. Reagan officials found themselves frequently at odds with Congress regarding anti-communist policy in Central America. Americans seemed reluctant to participate in another costly foreign entanglement. Additionally, Reagan's new strategy was steeped in the same motives that had driven policymakers for decades, opening new markets for trade, promoting free trade, and diminishing threats to American security. Although ambitiously stated, the Reagan Doctrine had practical limitations. It was more a reassertion of traditional American foreign policy goals that had come into doubt in the years after the Vietnam War than a dramatic reformulation of American strategy abroad. Thus, the Reagan

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administration eventually recognized the importance of public humanitarian mobilization, making disaster relief a key component of its foreign policy beginning in 1984 with a $500 million plan to combat starvation in Ethiopia. Although the American public and Congress remained reluctant to support military and developmental aid in the wake of the Vietnam War, Reagan officials noted that Americans still strongly supported humanitarian aid, and drew up policy accordingly. Thus, the profile of disaster relief increased dramatically during the 1980s, as Reagan officials used humanitarian assistance to weaken perceived aggressors, just as Herbert Hoover did in the 1920s, and to reconstruct foreign economies in a manner that would facilitate free trade and American investment, just as Truman officials did in the 1940s. Thus, during the 1980s, disaster relief emerged as a prominent strategy to achieve the policy goals that had eluded American officials for decades.

II. The Vision of M. Peter McPherson

The story of disaster relief in the Reagan administration begins with one man, M. Peter McPherson, administrator for USAID through much of the 1980s. McPherson, a Reagan appointee, used his position to stress the value of foreign developmental aid. McPherson's intellectual pedigree was ideal for his position. A lifelong conservative, McPherson began his political career at Michigan State University, where he joined the

student organization Young Americans for Freedom. McPherson possessed ambitions beyond that group. Upon graduation from college, he enlisted in the Peace Corps, and spent two years in Peru, helping locals set up banks and credit unions. He adopted many of the Kennedy administration’s goals about the importance of foreign assistance, albeit modifying such ideals to fit within his conservative set of views. McPherson later stated, “The Peace Corps was how I got into [foreign assistance]. The experience on the ground of how poor people live; buses don't come on time, if at all. The reality of seeing life on the ground was tremendously important.”

After the Peace Corps, McPherson worked in the public sector, first for the Internal Revenue Service, then as a Special Assistant to President Ford. Both a loyal Republican and a scholar of foreign aid who later wrote a book about the Marshall Plan, McPherson seemed the ideal candidate to achieve the Reagan administration's policy goals. Indeed, throughout the 1980s, the AID director used his position to promote foreign assistance, particularly disaster relief, as a means to achieve the ambitious "rollback" objectives of the Reagan Doctrine. In a post-Vietnam world, McPherson argued, disaster relief could promote Cold War security objectives. McPherson did more, however, than tie his organization to the preservation of national security. During his tenure as AID administrator, McPherson also served as the chairman of the board for the

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31 Interview with M. Peter McPherson, October 4, 2009.
Overseas Private Investment Corporation (OPIC), a government entity that helped American businesses invest money abroad. He viewed neoliberal ideas as key components of a larger American neoliberal strategy that would allow the United States to regain financial clout after the oil shocks of the 1970s and the recession of the early 1980s. Thus, McPherson promoted developmental aid, and consequently disaster relief, as a strategy to promote foreign investment, lower trade barriers, and encourage a more globalized economy. Lastly, McPherson aimed to achieve these goals through a decentralized strategy that involved both public dollars and assistance from the private sector. As Reagan officials sought to cut domestic spending, AID officials worked to build ties with private volunteer organizations and American businesses, effectively outsourcing disaster relief to private groups through block grants. This strategy of privatization played an important role in the administration's response to natural disasters in Ethiopia, Mexico, El Salvador, and Soviet Armenia. In McPherson’s own words, “Market forces are key to getting the distribution of medicine to others, as is getting the government to lift their hand so the private sector could be more active.”

When McPherson became AID administrator in 1981, he sought to redefine the mission and goals of AID to fit within the policy objectives of the Reagan administration. In particular, he promoted foreign aid as a means to achieve American security objectives, which had become more ambitious with the introduction of the Reagan

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Doctrine. During the early 1980s, AID officials repeatedly stressed the connections between foreign assistance and anti-communism, arguing that defeating the Soviets required both military and developmental aid. McPherson argued that the Vietnam War placed difficult roadblocks in the path of Third World military assistance, leaving developmental aid as the only remaining option to Reagan policymakers. The AID administrator noted that by the early 1980s, the ratio of economic to military concessional assistance was already 5 to 1.35

McPherson simultaneously emphasized the importance of developmental assistance and stressed that the Cold War was far from over. The AID administrator delineated his expectations for Soviet aggression throughout the 1980s, emphasizing that the Soviets would continue to attack countries that were seeking U.S. economic assistance.36 Thus, McPherson aggressively lobbied for a larger role in policymaking, citing the importance of AID dollars to national security. McPherson’s ideas received some support among other Reagan officials. Elliot Abrams, Assistant Secretary of State for Human Rights and Humanitarian Affairs, stated that the motivations behind humanitarian policy included, “the Cold War and the Soviet Union, partly to expand the

34 Interview with M. Peter McPherson, October 4, 2009.
35 “Commission on Security and Economic Assistance; Meeting of October 3, 1983,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
36 “Commission on Security and Economic Assistance; Meeting of October 3, 1983,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
frontiers of democracy.”37 He added, “We wanted to show that while we opposed certain tyrannical regimes, we sided with the people and cared about them. This was a way to dramatize that.”38 Indeed, Cold War strategy played a role in how the Reagan administration distributed funds for disaster assistance. McPherson later stated that AID “had a closer relationship with other countries because of the Cold War, for instance, nations in Central America.”39

McPherson, however, looked beyond the Cold War when pressing Reagan officials to fund AID projects more enthusiastically, using his own conservatism to create a comprehensive strategy of American foreign assistance. McPherson situated developmental aid within the economic landscape of the early 1980s, arguing that foreign aid would lower trade barriers and enable the United States to remain competitive in an economically cutthroat environment. Deputy Secretary of Defense Frank Carlucci chaired the State Department-funded Commission on Security and Economic Assistance. Through the Commission, McPherson urged Carlucci and other Reagan officials to look beyond U.S.-Soviet relations and to the greater economic picture, stressing how "the world economy has become increasingly interdependent. The U.S., once little involved

37 Abrams, Elliot, “U.S.-Israel Relations” (responses to questions at talk at Ohio State University, Columbus, Ohio, May 21, 2009).
38 Abrams, Elliot, Email message, “Humanitarian Relief,” sent to A. Poster, June 30 2009.
39 Interview with M. Peter McPherson, October 4, 2009.
in world trade, has seen its position transformed. The importance of trade to the U.S. economy has increased substantially.\textsuperscript{40}

A set of challenges accompanied America's increasing reliance on world trade, McPherson argued. In particular, the AID administrator stressed that the economic development to sustain global trade would not happen on its own. A public effort to channel private dollars into economies in the Global South was necessary. McPherson's lobbying thus connected neoliberal goals with the fear of economic contraction, a worry made very real by the financial instability of the late 1970s and early 1980s. He deftly combined his conservatism with an awareness of growing global interconnectivity, arguing that freer world trade would not emerge unless Washington increased its commitment to foreign aid. In a report to Reagan officials, McPherson and Carlucci stressed that the 1973 oil shock caused world economic growth to slow, culminating in a severe recession between 1980 and 1982. They argued that a resurgence of world trade volumes would allow industrial economies to take the lead in promoting global economic recovery.\textsuperscript{41} McPherson coupled his hopes for a stable, economically integrated world with his fears of global economic failure if Reagan policymakers did not take action. “It cannot be taken for granted,” he argued, “that accelerated growth will occur in all developing countries. The difficulties inherent in the developmental process may have been exacerbated by the global recession. Trade and development (assistance) expanded

\textsuperscript{40}“Commission on Security and Economic Assistance; Meeting of October 3, 1983,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
U.S. business opportunities and participation in the development process... that can lead to additional U.S. exports." According to McPherson, an American economic recovery was inexorably linked to developmental assistance abroad. Such assistance would enable American businesses to further integrate into a global economy; a truly neoliberal vision.

In order to show Reagan officials that AID was the proper vehicle to lower international trade barriers and boost foreign investment, McPherson turned to plans that won the private sector a greater role in the process of global development. In particular, the AID administrator noted the continued importance of home construction to development assistance. McPherson asserted, "During its 20 year history, AID has undertaken 152 projects in 44 developing countries with over $1.5 billion in authorizations. AID is (the world's) largest bilateral donor to the shelter sector. Shelter policies are... important components of national economic development and urban policy." In short, McPherson argued that home building played a key role in the economically crucial process of development and AID was the main actor behind the process. He then suggested that AID's shelter program would become even more efficient if the government pursued partnerships with private firms. "(AID) supports the private sector as the main vehicle for the delivery of shelter," he wrote. Thus, AID

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41 Ibid.
42 “Commission on Security and Economic Assistance; Meeting of October 3, 1983,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
43 McPherson, “Executive Summary,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
44 Ibid.
officials pursued a new strategy that emphasized the importance of private American sources of wealth in the process of development. In order to stress his point further, McPherson demonstrated that the private investors could invest in other AID projects as well. Throughout the early 1980s, the AID administrator encouraged private companies to assist in federal projects to promote public health and greater agricultural efficiency throughout Latin America. While McPherson shared Walt Rostow's zeal for global development, the Reagan appointee added another element to the dialogue about foreign aid. To McPherson, developmental assistance would help American corporations globalize their investments, providing the United States a competitive edge in an increasingly interdependent world economy.

McPherson and Carlucci deftly tied together American security and economic objectives into a neoliberal narrative, placing AID at the locus of the Reagan administration's global objectives. They stated, "AID programs have served our national interests well. They have assisted in forestalling security threats arising from poverty-based dissatisfaction and economic deprivation." Then, McPherson demonstrated how private investment would simultaneously promote security in donor countries and assist American financial interests :"[AID's] policies favor the role of private market forces in stimulating development, facilitating indigenous private sector development and [stress] a more forthcoming stance with respect to the treatment of U.S. foreign direct investment.

45 Ibid.
No less important, [AID] programs have been the carriers of [America's] own economic orientation and political philosophy.” McPherson and Carlucci concluded by proposing a four-point, long-term developmental strategy for AID that accurately summed up McPherson's approach to policymaking throughout the 1980s: "1) policy dialogue, 2) institutional development, 3) private sector (investment), and 4) technology development and transfer." AID's new strategy adhered to the Reagan administration's security objectives while promoting neoliberal survival in a new, globally integrated economy.

The importance of international disaster relief grew significantly in McPherson's Agency for International Development. Prior to the Reagan administration, the Office of Foreign Disaster Assistance served as AID's backwater, receiving very little funding from AID administrators. The OFDA's greatest triumph occurred in 1980, when policymakers received $10 million in grants to assist with Italian earthquake relief. During the Reagan years, however, AID focused its developmental efforts through disaster relief, making the OFDA's response to natural disasters a key component of Washington's foreign policy strategy. For instance, AID sought and received more than $500 million to deal with a famine in Ethiopia, beginning in 1984.

The growing importance of disaster relief within AID, then, was no accident. As AID administrator, McPherson viewed foreign disaster assistance as a new and politically

46 “Commission on Security and Economic Assistance,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
47 Ibid. The underline was added by McPherson and Carlucci in their draft of the report.
popular strategy that was not linked to the 1970s and the Vietnam War. Uncontroversial and generally supported by the public, disaster relief served as a vehicle that allowed policymakers to support and develop nations important to American security and economic interests. In their report, McPherson and Carlucci stressed how disaster relief could allow Reagan officials to accomplish their foreign policy goals without constant scrutiny and criticism from Congress and the American public. "[The Office of Foreign Disaster Assistance] administered by AID," they wrote, "allows the United States to respond rapidly to disasters abroad with funds, technical assistance, and relief supplies. This program is unique among our assistance programs in that it commands nearly universal support." McPherson, tying together political, economic, and security concerns, concluded that the best way for AID and Washington to achieve their parallel policy goals was through disaster relief. He added that disaster relief could serve as a "broad unifying theme" to Reagan's foreign policy, emphasizing how "opinion surveys demonstrate widespread support in the American public for the humanitarian purposes which underlie our developmental programs. I believe this broad consensus would support the notion that our security needs and economic and humanitarian needs are interrelated." Office of Foreign Disaster Assistance (OFDA) officials excitedly jumped

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48 McPherson “AID Strategic Plan,” March 7, 1984, RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
49 “Commission on Security and Economic Assistance,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
50 McPherson to Carlucci, RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
at the sudden support their office received. Martin Howell, the 1983 director of OFDA, wrote back to McPherson, both thanking him for his interest in disaster relief and urging him to make his comments required reading for all middle to senior-level members of AID. Thus, disaster relief served as the central pillar in McPherson's greater strategy. The administrator used the uncontroversial, humanitarian nature of OFDA to attract further importance and funding to his agency.

McPherson worked to redefine the role of OFDA in a manner that would allow Washington to use an international catastrophe to introduce a wider series of developmental programs to disaster stricken countries. Disaster relief would hence serve as a gateway to neoliberal economic restructuring. Under McPherson’s leadership, the role of OFDA changed almost overnight. In the Carter years, policymakers restricted the funds available for disaster relief, insisting that AID participate in relief and rescue efforts, but not in any greater plan for rebuilding or reconstruction. In 1977, Congress warned AID that "Long term reconstruction (after a disaster) may cover a period of several years. Unless specifically authorized by law, long-term reconstruction is not to be funded under the international disaster relief authorities. [OFDA's] role is limited to involvement in disaster activities requiring urgent and short-term assistance." McPherson, however, sought a more ambitious response to natural disasters. In 1984, at a

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51 Howell to Derham, October 12 1983, RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
party to celebrate OFDA's 20th anniversary, the AID administrator introduced a new, ambitious strategy that featured a wider response to foreign natural disasters. "For 20 years, OFDA has been remarkably effective in applying its limited resources to the humanitarian needs of the disaster prone world," McPherson stressed. He added, "There are alarming indications that millions more people are becoming vulnerable to disaster each year. AID must seek radical new ways to respond to this challenge. It is no longer a sufficient expression to provide relief once the suffering has occurred."53 Later in the year, McPherson outlined his plans more specifically. In a report to the Department of State, he informed George Shultz about AID's new strategy regarding disaster relief. "There is increasing awareness," McPherson stressed, "of the very important ties between the phases of disaster programs - relief, rehabilitation, and reconstruction- and the overseas developmental program. The existing regional bureaus within AID, supported by OFDA provide the most efficient means for administering disaster relief and rehabilitation."

McPherson's emphasis on rehabilitation entailed a broad expansion of AID's mission. No longer satisfied with simply assisting with relief and rescue efforts in the hours after a natural disaster, McPherson sought to incorporate disaster relief as a key component in AID's developmental aid strategy. AID policymakers, working through

52 “Improvements are Needed in Administering the Foreign Disaster Assistance Program,” August 17, 1981, RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
53 McPherson, “OFDA’s 20th Anniversary Celebration,” RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
OFDA, would now have the authority to participate in the reconstruction of a catastrophe-stricken nation, allowing Washington to restructure states and economies according to the Reagan administration's security and economic priorities.

OFDA officials eagerly latched on to their newly defined role in American foreign policy. Pamphlets published by OFDA in 1984 discussed the "three phases of disaster assistance." The first phase, emergency relief, represented the traditional focus of AID policymakers. The second and third phases, short-term rehabilitation and reconstruction, represented McPherson's ambitious new approach to international natural disasters. According to OFDA, the second and third phases incorporated "constructing permanent housing, expanding health care delivery systems, and improving national road networks. New long-term solutions are sought to the problems we call natural disasters."55 Disasters would serve as a means to bolster states threatened by communism, undermine left-leaning governments stricken by natural disasters, and introduce foreign investment to new markets.

McPherson's disaster relief strategy, however, encountered a roadblock. More specifically, the AID administrator's bold and expensive new plan was at odds with the goals of Reagan officials who sought to cut costs from government programs they defined as wasteful. At the same time that McPherson was redefining the goals of

54 McPherson, Untitled, RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
OFDA, his disaster relief initiatives fell under the scrutiny of skeptical outside auditors. Beginning in 1982, President Reagan's Private Sector Survey on Cost Control (PPSSCC) examined all government programs, aiming to "identify opportunities for increased efficiency and reduce costs" and "suggest long and short-term managerial operating improvements." Although McPherson possessed ambitious goals for AID, his agency did not exist in a vacuum. The AID administrator was constantly forced to modify and justify his policies to outside observers. In 1982, the PPSSCC issued a report highly critical of AID, stressing that "AID's procedures for planning, approving, and controlling development projects are not as efficient as those of other major development agencies." In particular, auditors highlighted AID's inefficiency. PPSSCC officials discussed how "AID is less efficient than other national donor agencies. Operating expenses are growing as a percent of allocations. Centralization causes delays and excess costs. Their annual budget submission is redundant and wasteful." The auditors concluded that "outside agencies provide other advantages." McPherson wished to expand AID's budget and scope, but in order to do so, he needed to tackle the challenges set forth by Reagan administration cost-cutting initiatives.

56 The President’s Private Sector Survey on Cost Control, “Recommendations: Agency for International Development,” May 6, 1983, RG 286, Stack 150, Row 41, Compartment 11, Shelf 07, Folders “Budget,” DSTR RELIEF FY 81-83, NACP.
57 Ibid.
58 Ibid.
59 Ibid.
Not surprisingly, McPherson turned to the private sector to solve AID's problems. As auditors stressed the delays of centralized bureaucracy and promoted the efficiency of outside, private developmental organizations, the AID administrator formed partnerships with private voluntary organizations (PVOs) to promote faster and cheaper responses to disasters and reduce criticism about wasteful spending. McPherson's strategy of decentralization also fit neatly into his overarching neoliberal framework. Private companies and humanitarian groups, working in conjunction with AID, would now receive government grants to rebuild disaster-stricken nations and introduce private American capital. Throughout 1982 and 1983, McPherson thus strove to strengthen AID and OFDA's connections with PVOs and private corporations. In 1982, AID hosted a conference aimed to build dialogue with PVOs. Although such conferences had taken place before, the first occurring in 1972, McPherson used the 1982 meeting to highlight the larger role that private groups would play in AID in the years to come. In his remarks to policymakers and PVO leaders, he asserted that "the purpose of the conference is twofold: to provide a forum for the exchange of experiences and ideas on disaster-related issues and; to advance the goal of cooperation and coordination within the disaster assistance community." He added, "It is in searching for solutions, progress will be made in strengthening cooperation among AID and voluntary agencies and ultimately, in

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improving the quality of disaster assistance around the world.” Panels at the conference typically stressed McPherson’s goal of public-private collaboration. Panelists originated from both public and private agencies and posed questions such as "Is our partnership working; What can we expect from each other?" 

Thus, McPherson responded to criticism about AID by implementing a strategy of decentralization that emphasized connections with the private sector. Instead of implementing disaster assistance directly, AID and OFDA would fund relief, rehabilitation, and reconstruction through competitive block grants to PVOs. This strategy both allowed McPherson to emphasize the efficiency of his agency and to further integrate neoliberal goals into his foreign policy strategy. Private groups played a major role in AID's response to natural disasters throughout the Reagan years. Collaboration with PVOs allowed American dollars to reach areas where local officials did not trust Washington, such as Ethiopia. Grants to private companies provided an avenue for foreign investment in countries rebuilding after a major disaster, such as Mexico and El Salvador. Thus, the decentralization of AID led directly to the expansion of disaster relief throughout the 1980s.

Reagan officials supported McPherson’s proposals. The AID administrator found a political ally in Secretary of State George Shultz who made certain that disaster assistance remained a priority within the Reagan administration, even when the President

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61 Ibid.
62 Ibid.
himself was skeptical. McPherson later stated, “George Shultz was a huge help in getting things done. I told him 'I report to the President, but why don't I report to you, too?' I then was invited to all his senior staff meetings.” With the support of Secretary Shultz, AID’s budget increased during the 1980s, reversing a ten-year trend of funding cuts. "We prospered during the Reagan administration," McPherson unequivocally affirmed.64

Epilogue

The path to 1980s disaster relief policy was long and winding. The First World War and the Spanish flu forced American leaders, both public and private, to recognize the devastating power of a natural disaster and to organize in order to prevent future calamities. Herbert Hoover’s food assistance program demonstrated that humanitarian relief could serve both altruistic ends and accomplish American political objectives. The Marshall Plan enabled New Deal policymakers to restructure European economies and protect the United States from perceived Soviet encroachment. During the Eisenhower administration, American policymakers vowed to fight the Cold War cheaply, relying on a strategy of massive retaliation and CIA coups to minimize the costs of containment. Despite their vows to pursue a strategy of “trade, not aid” in Latin America, Eisenhower policymakers introduced the foundations of American developmental aid policy, a policy that the Kennedy administration embraced with open arms. Both the Kennedy and Johnson administrations used developmental aid as a major instrument in their Cold War

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63 Interview with M. Peter McPherson, October 4, 2009.
toolchests, creating AID, OFDA, and the Peace Corps, and expanding the Food for Peace program. The Vietnam War, however, soured the American public to both military and developmental assistance. Although the Reagan administration wished to expand the Cold War and “roll back” Soviet influence, ambitious interventionist policies lacked support from Congress and the American people.

Sensing the limitations on Reagan officials, AID administrator M. Peter McPherson lobbied for increased funding for disaster relief. He argued that widespread popularity of humanitarian assistance would provide the Reagan administration with the agency necessary to intervene in regions deemed critical to American security interests, so long that a natural disaster occurred in the region. Additionally, McPherson demonstrated that disaster relief would allow Reagan officials a chance to achieve their neoliberal economic goals. McPherson thus focused less on the benefits of an immediate response to a disaster and more on AID’s role in the reconstruction after a disaster, thus allowing American policymakers to promote free trade and private investment in disaster-stricken countries. By stressing the congruency of disaster relief to Reagan administration goals, McPherson attempted to increase the prestige and standing of AID both within Washington and around the world.

In late 1983 and early 1984, Peter McPherson’s disaster relief strategy received its first test. The outbreak of a massive famine in Ethiopia placed the United States in a

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64 Ibid.
precarious situation. While the international media highlighted the death and devastation caused by the famine, American policymakers nervously debated whether to provide famine assistance to a socialist country allied to the Soviet Union. McPherson received over $500 million from Reagan officials and proceeded to use disaster relief as an instrument of soft power designed to protect American security interests, just as he vowed to do when he took office. Subsequent calamities in Mexico, El Salvador, and Soviet Armenia allowed McPherson to pursue his neoliberal objectives as well. In Mexico and El Salvador, disaster reconstruction opened the door to economic decentralization and private investment in new markets. In Soviet Armenia, AID served a pivotal role both in improving relations between the United States and the Soviet Union and preparing Soviet markets for the eventual introduction of American private capital.
Chapter Two


On October 16th, 1985, Chester Crocker, Assistant Secretary of State for African Affairs, issued a statement before the House Foreign Affairs Committee. Crocker outlined American grievances against the Ethiopian government. “Ethiopia,” he stated, “is a Marxist police state run by a small clique of ideologues. Soviet arms and influence are pervasive. Civil war rages in the north. The economy teeters on bankruptcy. Human rights abuses abound. As if this weren’t enough, drought and famine have ravaged the land and the people. Ethiopia is a calamity of enormous dimensions."¹ On the surface, Crocker’s rhetoric appears typical of American diplomacy toward communist states, but his words masked a surprising truth about U.S.-Ethiopian relations: The two Cold War enemies were partners in the largest disaster relief effort in the history of the world.

The Provisional Military Government of Socialist Ethiopia (PMGSE) took power in 1974, eventually allying the African nation with the Soviet Union. After several years of purges, land reform, and civil war, the PMGSE and its leader, Chairman Mengistu Haile Mariam, fell victim to one of the largest droughts of the 20th century. The drought and the subsequent famine precipitated one of the most tenuous and unusual partnerships in the history of the Cold War. Beginning in November 1984, the United States

committed substantial resources to Ethiopian famine relief, spending over $500 million and delivering over six million tons of food. Overall, the United States government provided a total of one-third of all private and public disaster aid to Ethiopia from 1984-1986. A series of problems, however, disheartened American policymakers almost immediately. The Ethiopian government discouraged American aid from reaching the war-torn regions of Tigray and Eritrea, where separatist movements threatened the stability of the PMGSE. The influx of Western dollars did little to alter the Ethiopian government’s socialistic policies of land reform and resettlement. The Mengistu-controlled Ethiopian press never gave American policymakers the positive publicity they thought they deserved. Lastly, privately run, non-governmental organizations frequently ignored American direction, despite the fact that they were the largest recipients of American disaster grants. By the spring of 1986, American policy-makers substantially cut funding to Ethiopia, frustrated by a never-ending stream of setbacks.

The difficulties that American leaders encountered were neither surprising nor unexpected. Reagan-era disaster relief policy represented a confusing intersection where Cold War security concerns collided with global expectations of American benevolence. On the one hand, providing a socialist nation such as Ethiopia with hundreds of millions of dollars in humanitarian aid seemingly contradicted the containment-based aims of the Reagan Doctrine. On the other hand, ignoring a well-publicized famine threatened to

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sully opinion of the Reagan administration both at home and abroad. As a result, American policymakers forged a difficult compromise, melding together strategic, political, and humanitarian concerns in Ethiopia.

Overall, American leaders used disaster relief as an instrument of soft power aimed both at feeding hungry people and at weakening Mengistu’s socialist government. In post-Vietnam America, providing socialist Ethiopia with humanitarian relief ironically served as the only option available to containment-minded policymakers who wished to accomplish the goals of the Reagan Doctrine. With the American public still fearful of costly military entanglement, humanitarian relief served as a way to achieve policy goals in Ethiopia without a potential backlash. Although Reagan officials frequently stressed that "a hungry child knows no politics," American policymakers considered political objectives when contemplating their strategy for Ethiopia. In the words of Chet Crocker, "We want to do everything in our power to alleviate the suffering caused by a combination of calamities. At the same time these goals are part of a larger policy context. Ethiopia is a key nation. U.S. interests would be strengthened if we could succeed in using our good office to promote more stability and cooperation."
These larger security objectives led President Reagan to resist any large-scale involvement in the Ethiopian famine until faced with widespread international publicity of the drought, concerns about Reagan’s re-election in 1984, and an inability to provide famine relief to neighboring nations. Once in Ethiopia, officials within the Agency of International Development used the relief effort to control relief resources, discredit the Ethiopian government’s troubled feeding program, emphasize food distribution in all areas of Ethiopia, discourage Ethiopian land reform plans that involved the resettlement of people onto collective farms, and win positive publicity for the American relief efforts. The Ethiopians, however, were highly suspicious of Western famine assistance and resisted American policy goals by portraying the United States negatively in the press, creating bureaucratic obstacles to impede food distribution in rebel areas, and promising falsely to end land reform. Thus, famine gave rise to complex negotiations; American and Ethiopian officials collaborated to feed hungry people, while simultaneously competing over resources, power, and publicity. Both a humanitarian triumph and a gentle war, American disaster relief in Ethiopia simultaneously succeeded and failed; Reagan policymakers distributed food to millions, but fell short of undermining Ethiopia’s socialist foundation.

The people who created and carried out disaster relief policy are part of a larger story that reveals why American policy failed in Ethiopia. An imposing number of American, Ethiopian, UN, and private officials all worked at cross-purposes while providing famine assistance, thus limiting the effectiveness of American policy. As the
relief effort progressed, the United States found itself in competition with both the PMGSE and charity relief groups. The inability of American officials to form a relief coalition incorporating both private charities and the United Nations weakened the Reagan administration's goals.

More specifically, the imposing cast of characters involved with the relief effort emerged because high-ranking officials in both the Reagan administration and the Mengistu regime adopted strong, negative public stances toward each other. As a result, mid-level policymakers in both governments served as the major architects of disaster relief policy. In the United States, the Agency for International Development (AID) controlled the larger, strategic aspects behind American disaster relief policy. Thus, M. Peter McPherson was responsible for much of the American decision-making in Ethiopia, earning the dubious nickname “Mr. Famine” from the press. McPherson’s mix of strategic and humanitarian motives earned him praise from both Democrats and Republicans; he remained a central figure in Ethiopian disaster relief throughout the 1980s. McPherson reported directly to Secretary of State George Shultz, who occasionally intervened in AID affairs. David A. Korn, the American charge d’affairs in Ethiopia, served as the final major actor in policymaking. Korn was frequently in dialogue with both McPherson and Shultz, providing suggestions and local intelligence to AID officials.

On the Ethiopian side, the relief effort was led by the Relief and Rehabilitation Commission (RRC), a government organization that provided effective assistance to
famine-stricken Ethiopians whenever its hands were not tied by higher-ranking Mengistu officials. Dawit Wolde Giorgis, a major in the Ethiopian army, headed the RRC, which tried to administer relief to the Ethiopian people even when the PMGSE urged them not to do so. Dawit\(^5\), whom Mengistu considered a political rival, was placed in charge of the RRC because the Ethiopia leader did not trust him to lead a military unit loyally. During the famine, however, the RRC emerged as a powerful organization with international clout; Mengistu’s plan to weaken Dawit had backfired entirely. Brash, independent-minded, and arrogant, Dawit was the key point of contact for U.S. officials, Ethiopian leaders, and private organizations. In short, he was the man in the middle, pulled in different directions by a variety of actors with a multitude of contradictory interests.\(^6\)

Because of the mutual mistrust between the United States and Ethiopia, several private organizations made major contributions to the relief effort, assisting McPherson and AID as well as Dawit and the RRC. The International Red Cross served as a large-scale recipient of American grant money during the famine, and thus played an important role in enacting U.S. policy in Ethiopia. The Red Cross acted as a major U.S. ally in the Horn of Africa during the mid-1980s. The agency concentrated its feeding programs in northern, rebel-held areas. Its efforts were often obstructed by the Ethiopian government. Other private groups, however, established a more contentious partnership with American

\(^5\) It is considered proper to address Amhara Ethiopians by their first names.
policymakers. Before the United States committed to large-scale disaster relief, Catholic Relief Services (CRS) was the largest private relief group working in Ethiopia. CRS retained a strong rapport with the Ethiopian government, and thus was the only private organization that AID officials could depend on to administer relief without major interference from the Mengistu regime. As a result, CRS officials often were at loggerheads with American officials and frequently acted independently of American direction, even when they were the recipients of AID dollars.

Lastly, the United Nations served as the glue between AID, the RRC, the Mengistu regime, and private organizations. Although the UN was involved directly with only a small portion of the feeding on the ground, it contributed organizational expertise, diplomacy, and, most importantly, a large truck fleet to the overall relief effort. UN envoys Kurt Jansson and Michael Priestly frequently defused conflicts between angry NGOs, AID officials, and the RRC. While the UN helped prevent major conflicts, Jansson and Priestly did not share AID's containment-based, anti-communist vision. The UN frequently refused to support American attempts to discredit the Mengistu regime and held the RRC in far higher esteem than AID officials would have liked. The inability of AID to find a permanent ally in either CRS or the UN strongly contributed to its failure to carry out American objectives throughout the Ethiopian relief effort.

An analysis of the famine in Ethiopia contributes to the historiography of American diplomacy in three ways. First, the famine reveals the core goals and tactics of the Reagan administration. This chapter argues that Reagan officials used disaster relief
to implement a campaign of soft power against a socialist enemy. The Reagan administration valued humanitarian goals—so long as they remained within the scope of U.S. containment objectives. Humanitarian policy thus played an important role in the Reagan administration's aggressive strategy of containment. Second, the Ethiopian famine represents a case of disaster relief where agency was diffuse and empire was limited—no single actor or organization possessed the upper hand in the furiously complex negotiations of famine relief. In order to participate in famine relief, the Reagan administration resorted to a soft-power campaign, effectively privatizing American foreign policy. The success of its objectives in Ethiopia depended upon the cooperation with private groups and international organizations. Thus, a study of the Ethiopian famine contributes to existing scholarship about the expansiveness of American power, a topic that has been investigated by a diverse group of scholars. Third, this chapter contributes to an important body of scholarship that discusses the use of American aid. Scholars such as Michael Hogan, Kristin Ahlberg, and Burton Kaufman have studied the motives behind foreign aid, demonstrating that security, economic, political, and humanitarian motives played an important role in American decision-making when disbursing foreign assistance. This chapter argues that Reagan officials possessed a similar, multifaceted view when administering disaster relief to Ethiopia.

Additionally, an emerging body of scholarship discusses the American role in the Ethiopian famine. Steven Varnis's Reluctant Aid or Aiding the Reluctant? provides a
thorough and well-written account of the American response to the drought in Ethiopia.\textsuperscript{7} Varnis, however, published his work in 1990, began his research in the mid-1980s, and he did not have access to the wide body of resources currently available about the famine. Varnis places much of the blame for the famine on the Mengistu regime, a point of view shared by Alexander DeWaal, a British scholar. DeWaal's\textit{ Evil Days: Thirty Years of War and Famine in Ethiopia} discusses the constant state of civil war in Ethiopia during the late twentieth century, focusing on the human toll of the fighting. In 1987, Kurt Jansson, the UN envoy in Ethiopia, published\textit{ The Ethiopian Famine}. Jansson's memoir is surprisingly sympathetic to the Ethiopian government and the RRC, acquitting Mengistu's regime from much of the blame placed upon them by American leaders. Jansson's work is a solid counterpoint to Varnis's. Chester Crocker, former Assistant Secretary of State for African Affairs, edited \textit{Managing Global Chaos}, a book that investigates humanitarian responses to both natural and man-made disasters, concluding that poorly coordinated, contradictory responses from private NGOs actually have extended humanitarian crises, a phenomenon observed in Ethiopia.\textsuperscript{8} Dawit Wolde-Georgis's\textit{ Red Tears} is the RRC commissioner's memoir.\textsuperscript{9} Though self-serving, Dawit's writings are critical of both the American government, which was reluctant to help with the relief effort, and the Ethiopian government, which restricted the actions of the RRC.

\textsuperscript{9} Dawit.
Lastly, in 1987, AID commissioned an audit of their famine relief policy in Africa, which was written by Jeanne Downing, Leonard Barry, Lesley Downing, Thomas E. Downing, and Richard Ford from Clark University.\textsuperscript{10} While the report discusses a variety of topics, from economics to meteorology, it provides an assessment of American policy that is even-handed and critical. This study, based in primary sources, aims to meaningfully contribute to an emerging body of scholarship that focuses on the decisions of public and private officials who determined the fate of millions of starving people.

\textbf{The Closest Thing To Hell on Earth: A Hesitant Commitment to the Ethiopian Famine}

Although the United States eventually provided hundreds of millions of dollars in Ethiopian famine relief, President Reagan avoided dealing with the famine for over a year. When Reagan did finally commit to Ethiopia, he did so reluctantly, and only after negative press coverage, intransigent Ethiopian officials, and congressional challenges forced his hand. In fact, the initial lack of a large, international response to the famine was the result of an unusual, unspoken collaboration between top officials in the Reagan administration and the Mengistu regime, all of whom viewed a large-scale, public response to the drought as contrary to their larger policy goals. This section will

examine the Reagan administration's initial hesitance to begin famine assistance to Ethiopia and the factors that forced America into reluctantly aiding a socialist state.

Despite the fact the Mengistu regime created a commission, the RRC, to respond to food shortages, famine in Ethiopia was common during the late 1970s and early 1980s. The PMGSE’s 1977-1978 campaign against rebel groups and rival political parties created political unrest and disrupted farming. Additionally, a series of droughts during the late 1970s placed many Ethiopians at risk for starvation. Although harvests rebounded in the early 1980s, civil war and local droughts persisted; by mid-1983, more than four million people were already starving in Ethiopia and a widespread series of crop failures in early 1984 threatened the lives of countless more.\(^\text{11}\) Officials from the UN estimated that “50 to 100 children were dying daily.”\(^\text{12}\) The Mengistu government, suspicious of Western aid and fearful of being blamed for the famine, wished to minimize international knowledge of the growing catastrophe. In May 1984, Dawit publicly requested one million tons of food from international donors because "Ethiopia is facing a potential disaster of considerable magnitude this year… one fifth of the country's population will need assistance in one form or another. If those affected do not receive relief assistance, the consequences will be frightening."\(^\text{13}\) In response to Dawit's speech, however, the Mengistu regime prohibited the RRC from making public relief appeals for


\(^{13}\) Kurt Jansson, Michael Harris, and Angela Penrose, *The Ethiopian famine*, (London; Zed Books, 1987,) 140.
the next five months, in order to reduce international attention about the growing humanitarian crisis that they could not control.\textsuperscript{14} Instead, Mengistu proposed moving impoverished farmers from northern to western Ethiopia in order to resolve permanently issues of famine within the country. Although the RRC managed to distribute food to hungry Ethiopians, the top priority of the Mengistu regime was carrying out its resettlement program, which was directed, occasionally with violence, by “local political cadres” at a cost of $150 million.\textsuperscript{15} Mengistu’s plans were met with criticism from David A. Korn and George Shultz, who viewed resettlement as a form of coerced migration designed both to weaken resistance from separatist groups in the north and to commence a program of collective farming throughout Ethiopia.\textsuperscript{16}

Although the Mengistu regime's quiet response to the famine limited American access to the drought-stricken countryside, U.S. policymakers were aware of starvation in Ethiopia. As early as 1982, Canadian relief officials reported there were food shortages throughout the nation. In May 1983, Korn warned Reagan policymakers about widespread starvation.\textsuperscript{17} During the same year, McPherson urged Reagan officials to widen their response to the famine, though he wondered how socialist Ethiopia would react to American offers of assistance. In August 1983, a congressional delegation, led by Michigan Representative Howard Wolpe, traveled to Ethiopia, warning of "imminent

\begin{footnotes}
\item[14] Ibid, 59.
\item[16] David A. Korn, Ethiopia, The United States, and the Soviet Union, (London; Croom Helm, 1986); 127.
\item[17] Ibid, 48.
\end{footnotes}
death unless there was an immediate increase in American and international relief assistance to Ethiopia." Wolpe presented his findings to Congress and received a strong response. Seventy representatives signed a statement urging the Reagan administration to take greater action in Ethiopia. Despite these promptings, President Reagan was reluctant to provide aid to a country with "strong Soviet ties." While Secretary Shultz remained “certainly supportive of famine relief,” the President balked on committing to a large package. In 1982, the Reagan administration had given $500,000 to Ethiopian People's Democratic Alliance, an American-based group of Ethiopian exiles that supported a liberal-democratic political system. As a result, Reagan officials introduced a bill that offered to provide $150 million for famine relief throughout 1984, but tied those funds to an increase in military aid to the Contras in Nicaragua. The Democratic-controlled Congress opposed Reagan's proposal and defeated the bill. As a result, AID provided only a nominal U.S. commitment to Ethiopia. In May 1984, the Reagan administration approved AID's proposal to issue a four million dollar grant to Catholic Relief Services, thus commencing American involvement in Ethiopian famine relief at a very small level.

18 Jansson, 148.
19 Joanne Omang, "TV Film of Emaciated Children Ended Apathy on Ethiopian Famine; The Agony, However, Was Documented Two Years Ago," The Washington Post, 21 November 1984, A21.
20 Interview with M. Peter McPherson, October 4, 2009.
21 Ibid 64.
Several factors, however, altered the mutual silence between the American and Ethiopian governments. First, international pressure from the media forced the United States to pay greater attention to developments within Ethiopia. Journalists began reporting about widespread starvation in Ethiopia in September 1984, when Chairman Mengistu invited the international press into the country to cover the PMGSE's ten-year anniversary. By mid-September, front-page articles in the *New York Times* discussed the "tens of thousands…dying of starvation and the "six million…in dire need of food."\(^{23}\) On October 24 1984, BBC correspondent Michael Buerk reported on the catastrophe, showing images of "dead children in shrouds, huge crowds of emaciated Ethiopians huddled in the desert, and an elderly man dying of starvation before the camera.\(^{24}\) Buerk's broadcast aired on 425 television stations worldwide, reaching an audience of over 470 million people, and informing the world that the Ethiopian famine was "the closest thing to hell on earth."\(^{25}\) The graphic images of starving children and tens of thousands of displaced, destitute farmers forced the famine onto the international scene, creating a maelstrom of further publicity. American broadcasters from all three major television networks edited Buerk's footage, repackaging it for American television. "It

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was as if each clip was an award-winning still photo," stated ABC World News Tonight producer William Lord.26

The media coverage provoked an international response. Bob Geldof and Midge Ure, founders of Band Aid, stated that the BBC kept "showing the documentary over and over, [we] wanted to do something to help." Band Aid recorded the song, "Do They Know It’s Christmas?" which discussed the famine. Featuring lyrics such as "There's a world outside your window, and it's a world of dread and fear, there won't be snow in Africa this Christmastime, the greatest gift they'll get this year is life," the single sold over six million copies in the United States and quickly became the best selling single ever in Great Britain. Band-Aid's efforts attracted considerable attention from the media and made the African famine a cause-célèbre among the American people, who donated billions of dollars to relief efforts. Additionally, the song sparked imitators, such as the American-produced "We are the World," which featured Michael Jackson, Ray Charles, and Bruce Springsteen, and rose to number one in fourteen different countries, including the United States.28

The publicity forced policy changes in both the Ethiopian and American governments. The Mengistu regime suddenly accelerated relief efforts in Ethiopia with a "new, if rather belated sense of urgency." At the same time, however, it ordered BBC

27 Ibid.
television crews to leave the country.\textsuperscript{29} In an effort to deflect blame from Ethiopia, Mengistu hesitantly allowed Dawit to act more forcefully in order to attract greater international assistance and implicate Reagan officials in the catastrophe. On October 8, a newly confident Dawit publicly castigated AID officials, stating he "was going to have to attack the United States, because the United States has not done enough to help and is ignoring how severe Ethiopia's situation has become."\textsuperscript{30} McPherson, who supported a stronger American response to the famine, felt betrayed by Dawit’s remarks and responded sharply by blaming the Ethiopian government for the famine, attacking Ethiopia's land collectivization plans, lauding U.S. relief efforts, and labeling Ethiopian intransigence as "a classic example of biting the hand that feeds you."\textsuperscript{31} Dawit's remarks, however, were meant not for McPherson, but for the press. The RRC's criticism of American inaction made international news, leaving reporters to wonder if "the West ignored [Ethiopian] predictions of a drought earlier in the year."\textsuperscript{32}

Despite the increasing public pressure, President Reagan remained aloof to the famine, forcing Dawit to resort to more extreme tactics. Mindful of the upcoming U.S. election, Dawit began a dialogue with Reagan opponent Jesse Jackson. The two planned to send a Democratic Party delegation to Ethiopia one week before American voters

\textsuperscript{29} "Mengistu Speeds Relief to Famine Areas," \textit{The Guardian}, November 2, 1984.
\textsuperscript{30} Korn to Shultz, Secretary of State, October 9 1984, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder "Ethiopia," FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{32} Barry Schlackter, "Ethiopian Says if West Had Helped Earlier; Crisis Could Have Been Averted," Associated Press, December 12th, 1984.
headed to the polls. In Dawit's words, "the lack of previous significant action by the American government was potentially damaging enough to make it an election issue." Although Reagan was headed for a landslide victory, races in the House and Senate were more closely contested; Republican gains were by no means certain. Shortly before issuing a visa to the Democratic leader, Dawit received a phone call from the State Department urging him to "delay the departure of Jackson" and allow M. Peter McPherson "to be the first American in Ethiopia."

Congress also picked up on the political importance of the famine and Democratic leaders began criticizing the Reagan administration's lack of response. House Speaker Tip O'Neill sympathized with the "African children starving to death" and accused the President of "allowing this to happen." O'Neill added, "the only personal interest in African food assistance the president has exhibited is his desire to use food assistance for Africa to extort funds for the Contras in Congress." Vice-presidential candidate Geraldine Ferraro charged that Reagan officials "did not act when everybody saw the problem, and now the problem has become a tragedy. I want an administration that sends overseas fewer tools for war and more food for peace. It is amazing that those who are pro-life do not care about the living."
Additionally, politicians from Reagan's own political party began to advocate a more extensive response to the Ethiopian famine. Senator John Danforth, an Episcopalian minister, sided with the Democrats on the issue. Throughout 1984, Danforth advocated famine relief, frequently travelling to Africa, showing President Reagan photos of starving children, and quietly advocating a policy shift within the Republican Party. Officials from private relief groups described Danforth's interest as "a major break," connecting the Senator's efforts to increased funding from the Reagan administration.\footnote{Joan Omang, "TV Film of Emaciated Children Ended Apathy on Ethiopian Famine; The Agony, However, Was Documented Two Years Ago," \textit{The Washington Post}, 21 November 1984, A10.} Danforth's lobbying, in addition to election-year criticism from congressional Democrats, undoubtedly placed substantial pressure on the Reagan administration to intervene in the African famine. The bipartisan effort to fund famine relief transformed the Ethiopian drought into an election-year issue, making it nearly impossible for Reagan officials to do nothing about the disaster without serious public consequences.

The President, however, remained uncertain about giving aid to a socialist country. After all, the Soviet Union had supplied Ethiopia with over $3 billion in military aid since 1977, Soviet support for the Mengistu regime seemed never-ending, and Fidel Castro had stationed Cuban troops in Ethiopia.\footnote{Soviet Premier Konstantin Chernenko viewed Ethiopia as the U.S.S.R's most loyal ally in Africa, especially after Soviet fallouts with Egypt, the Sudan, Somalia, Angola, and Ghana in the previous}
decade. American policymakers complained that "a peasant is more likely to find his belly full of Soviet lead than American bread," especially since the U.S.S.R. provided little humanitarian aid to Ethiopia.\textsuperscript{40} Thus, Reagan officials feared that providing the Mengistu regime with famine assistance would both strengthen a hostile regime that received billions of dollars of Soviet aid and allow the U.S.S.R. to maintain an undeserved presence in Africa.

Thus, AID made one final attempt to resist making a major financial commitment to Ethiopia, hoping instead to give a large package of aid to a neighboring famine-stricken country. In November, McPherson visited Sudan and met with Sudanese President Jaffer Nimieri in order to discuss famine relief. To McPherson's surprise, executives from the Chevron and Arkel petroleum companies were also present at the meeting. When McPherson broached the topic of famine relief, Nimieri stressed that Arkel and Chevron were discussing several major development projects in the countryside and that "Sudan does not want to make a major public issue of it [the famine]." Additionally, Nimieri "hoped that the U.S. would provide emergency food to Ethiopia and Chad in order to reduce the flow of drought victims from those countries into Sudan. The burden constituted by the outsiders was excessive."\textsuperscript{41} After Nimieri was overthrown by a military coup in 1985, Sudanese leaders allowed AID to "deliver food

\textsuperscript{40} Ibid.
\textsuperscript{41} Korn to Shultz, November 3 1984, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder "Ethiopia," FORGN DSTR ASST PROJ File, 1983-1989, NACP
surreptitiously across the Sudanese-Ethiopian border,” but this gesture was far short of the assistance Reagan officials expected from Sudan. 42

Embarrassed in the press, challenged by Congress, and left with no other country willing to accept a major package of famine relief, Washington was left with no choice but to make a major commitment to resolving the Ethiopian drought. At the end of November, AID sought and received congressional approval to distribute 200,000 tons of food, at a cost of $45 million. 43 This initial expenditure was the beginning of a colossal commitment to the Ethiopian famine. In a two-month period, the Ethiopian drought had evolved from a largely ignored calamity to a major priority for both the Mengistu regime and the Reagan administration.

Publicity, Resources, and People: American Policy in Ethiopia

Unable to escape the hellish consequences of the Ethiopian drought, the Reagan administration made a major commitment to famine relief, using the disaster both as an opportunity to distribute millions of tons of food to starving people and as an opening to begin a campaign of soft power against the Mengistu regime. In the months following the Reagan administration's November 1984 aid package, the United States used the famine to win publicity for American benevolence, publicly highlight Ethiopian indifference to the disaster, end Ethiopian resettlement and land collectivization

42 Interview with M. Peter McPherson, October 4, 2009.
43 Harden, Blaine "80,000 Tons of Food Hurriedly Diverted to Ethiopia." The Washington Post A-1 29 November 1984.
programs, and distribute food to rebel areas through the use of private relief groups. In the words of David A. Korn,

what joy there would be in Washington if suddenly a large and important country under Soviet sway were to adopt a democratic system of government, align itself with the West, and cast its vote with the West? It was natural to hope, if not expect that the West's Herculean effort to save the lives of millions of starving Ethiopians... would cause the Ethiopian government to take a second look at its international position.44

Thus, Reagan officials launched a campaign to control publicity, resources, and the movement of people in Ethiopia, depending largely on the cooperation of private relief groups.

Disputes about publicity

One of the most contested battlegrounds between the Reagan administration and the Mengistu regime was the issue of publicity. Although the famine was limited to Eastern Africa, the actions of both governments took place on a world stage where journalists, government leaders, and private citizens observed and judged. The initial storm of negative press coverage in late 1984 placed both governments on the defensive. As a result, Reagan officials were eager to prove to the world that they were the ones doing the most to help the people of Ethiopia, even in the face of stiff socialist resistance. To AID policymakers, positive publicity of American relief efforts would bolster

worldwide support of U.S. actions in Ethiopia, and more importantly erode the confidence of Ethiopian citizens in their leaders.

In October 1984, when American officials first discussed large-scale assistance to Ethiopia, the issue of publicity emerged as a key strategic element to U.S. policy. David A. Korn informed Secretary of State George Shultz that, "Getting the word out to the Ethiopian public about what we are doing in Ethiopia in the current emergency can be an important element in overall efforts to create a better atmosphere between the United States and Ethiopia." Korn decided that the best manner to inform the Ethiopian public about American benevolence was to "keep a running tally of all grants for Ethiopia" for future press releases to newspapers, television and radio.

The Mengistu regime, however, conducted a similar public policy, stressing its own contributions to famine relief and lauding the efforts of its Soviet allies. The consequences of this fight over publicity eroded relations between the two countries and frequently placed American officials at loggerheads with Ethiopian leaders. On January 24, 1985, Korn complained about articles appearing in the Ethiopian Herald, a major daily newspaper in Ethiopia with a circulation of over 40,000. The articles stressed the contributions of "major friendly foreign personnel" including the Italians, the East Germans, and the Soviets, but said nothing about the efforts of the United States, the

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46 Ibid.
largest individual donor to the relief effort. The article featured several images of Soviet helicopters and praised Soviet efforts of "coming to the rescue of nations and peoples in times of crisis." The photo infuriated Korn, not only because of the Herald’s omission of American assistance, but because of the particular cargo upon those helicopters. Ethiopian officials had placed U.S. food on Soviet helicopters, photographed the helicopters and their Soviet pilots, distributed the food, and issued a press release. The Soviets, who provided Ethiopia with military, not humanitarian, assistance, were to receive credit for American goodwill. The Ethiopians knew the power of the media, and were using it to minimize the publicity of American efforts in the country.

In response, AID officials began to use the media to highlight the PMGSE’s poorly coordinated response to the famine. In early 1985, Ethiopian officials failed to organize a system that would deliver food from the port of Assab to the countryside. Supplies remained in boxes at the seaport while millions starved inland. McPherson turned to the press for assistance. “Food just sat there in the ports,” he later stated. “I had a guy travel to Ethiopia to take pictures of the food stuck in the ports. Then I called an international press conference.”

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48 Ibid.
49 Shultz to Korn, January 24, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
50 Interview with M. Peter McPherson, October 4, 2009/
media forced the Mengistu regime to set up a system that would distribute relief supplies more quickly, reducing the buildup of food at Assab.51

Ethiopian officials, however, did their best to stonewall American attempts to win public recognition for AID's role in the famine. On August 12, AID officials met with Merid Bekele, Director General of the Ethiopian News Agency, hoping to gain more press coverage of the American role in relief efforts. AID officials outlined the extent of American contributions and received a friendly response from Merid, who proclaimed that "[Mengistu] had already ordered full coverage by the Ethiopian press of all donor drought assistance, including that of the US."52 Days later, frustrated AID policymakers realized they had been hoodwinked. In a cable to Shultz, American officials stressed that "if Chairman Mengistu has ordered full coverage by the Ethiopian press it has not yet been evidenced by the local media. [The] Total amounts of U.S. assistance have never been published in the local media or broadcast on Ethiopian television or radio."53 The cable concluded with a proposal to set up American-operated Amharic-language radio stations that would publicize U.S. disaster assistance outside the realm of the Ethiopian press.

The failure of AID to win greater press coverage within Ethiopia led American officials to resort to more drastic measures, at the cost of further alienating the Mengistu

51 Ibid,
regime. In January 1985, AID matched a donation from Israeli philanthropist Abie Nathan and constructed a large tent city in northwest Ethiopia, designed to feed and shelter over 10,000 people displaced by the famine.\textsuperscript{54} Within months, the tent city quickly filled to beyond capacity, holding over 60,000. A cholera outbreak in May, however, took Ethiopian officials by surprise, forcing them hastily to evacuate the tent city. The reaction from the international community was mixed. While the United Nations condemned the tent city evacuation, UN officials stressed that the decision to evacuate was made by panicky local officials who "did not reflect either government or party policy" and that there were valid "economic and agricultural reasons to return people to their farms so they can prepare for the next planting season."\textsuperscript{55} McPherson, however, capitalized upon the situation, turning to the international press to criticize the Mengistu regime. In a statement to The Washington Post, McPherson stressed how the Ethiopian government's actions "amounted to imposing a death sentence on half the estimated 60,000 people reported in the Ibnet camp," labeled the Mengistu regime as "brutal, and barbaric" and complained about the "negligible" feeding efforts from the "substantial Soviet presence" within the country.\textsuperscript{56}

McPherson's statements infuriated Ethiopian officials. In a meeting with the AID administrator, Dawit angrily accused McPherson of "using these statements which he

\textsuperscript{54} Julius Becton to M. Peter McPherson, AID Director; January 11th 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
knew to be untrue, for his own personal and political ends." AID officials maintained that McPherson had been "misquoted," to which Dawit replied, "McPherson always denies making statements after they [have] already been published and the harm done, that every week McPherson was criticizing Ethiopia and had nothing good to say about the country." Dawit concluded by stating "that if this is [the American] attitude, then we don't want their trucks [of food]," caustically asking AID officials, "do you live here?" Acting through Kurt Jansson and the UN, McPherson and AID gradually repaired their relationship with Dawit, and within one week, the Ethiopia government re-opened the tent city.

Although McPherson’s statement helped to embarrass the Mengistu regime into closer cooperation with American feeding efforts, his remarks jeopardized the standing of the RRC commissioner within the PMGSE. Although Dawit and AID were able to slowly rebuild their relationship, McPherson's public remarks had permanently damaged Dawit's rapport with Mengistu because Dawit had strongly advocated the construction of the tent city earlier in the year. In order to build the city, Dawit sought the blessing of the Chairman, who was deeply suspicious that the Nathan-funded volunteers from Israel would be "acting on behalf of western intelligence agents." Eventually, Mengistu grudgingly allowed Nathan and other aid workers temporary passports to bring the shelter

57 Korn to Shultz; June 17 1985; OFDA Disaster Case Files: Ethiopia, 1981-1989; Record Group 286; NACP
58 Ibid.
59 Ibid.
material from Israel. After the cholera epidemic, international humiliation forced Mengistu hastily to re-open the tent city, which necessitated admitting even more Israeli volunteers. Humiliated and increasingly suspicious, Mengistu temporarily detained the Israelis, impounded their equipment, and found justification to dispose of a political enemy. Dawit, who had vouched for the Israeli volunteers and supported the influx of American aid, became the scapegoat. During an angry meeting with Mengistu, the chairman accused, "you and your RRC have made it possible for the CIA to infiltrate us! Do you know what the Israelis are capable of? Why are these people here if not to spy? Stay where you are and we'll do a complete investigation of the entire agency." Six months after the cholera outbreak, fearing for his life, Dawit defected to the United States, eventually becoming a research fellow at Princeton University. By using the press to humiliate the Mengistu regime publicly, AID officials succeeded in embarrassing Ethiopian leaders in front of the world community. Their actions, however, cost the United States a valuable ally, Dawit Wolde Giorgis, who had advocated American intervention in 1984 and coaxed Mengistu to allow the construction of the now badly publicized tent city. After Dawit's defection, Mengistu exerted greater influence over the RRC, ensuring greater inflexibility from Ethiopian officials during the final year of the famine.

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60 Dawit 328  
61 Dawit 330.  
62 Ibid, 335
AID officials made one final major attempt to discredit the Ethiopian government publicly. Although the U.S. government distributed almost all food assistance in the form of grants to non-governmental organizations, AID set up an experimental government-to-government feeding program in early 1985. Through this program, the Ethiopian government received 50,000 tons of food directly from the United States. By August 1985, AID officials sought to use government-to-government feeding in an opportunistic manner. James R. Cheek, the new charge d'affairs to Ethiopia, suggested using an additional 50,000 tons of surplus corn in Kenya to extend the American commitment. Cheek wrote, "If we play our cards right, we can play the situation to our advantage…the RRC's infrastructure is particularly weak in southern regions of the country, where the corn would be distributed… we can visualize a situation where the RRC would plead for help from the NGOs in handling its distribution." McPherson later mused, "we didn't believe the government would use the food properly. The 50,000 tons were a downpayment for the NGOs. The NGOs were key." Cheek contacted the embattled Dawit, informing him that "it would still take a minimum of three months to ship (our food) to Ethiopia… Happily there exists another option in which the United States can provide the RRC with most of the…corn within three weeks." Hoping to overload RRC officials with a surprise "gift," American officials anticipated the Mengistu

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63 Disaster case reports: Ethiopia, pg 4., OFDA Disaster Case Files: Ethiopia, 1981-1989 ,Record Group 286, NACP.
64 Cheek to Shultz, August 6, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
65 Interview with M. Peter McPherson, October 4, 2009.
regime would either plead for outside help and lose control over relief resources, or receive worldwide criticism for turning down a "generous offer" from the United States.

The RRC responded fiercely to the American challenge by using the media skillfully to rebuff AID's offer. In September, Dawit met with AID officials about the Kenyan corn. AID officials reminded Dawit that "a decision was needed very quickly or else the corn would be sold for animal feed; that would be a terrible waste considering the food need in southern Ethiopia." Dawit replied that he was "ready to take the corn at any time, but in order to protect himself from what most certainly would be an outcry from his superiors, he needed something in writing that the corn was fit for human consumption, or that it was being rejected by the Kenyan government for reasons other than being unfit for human consumption." When AID officials refused to take the threat seriously, Dawit called Reuters and complained that "the US is trying to dump corn unfit for human consumption on Ethiopia." Thus, Dawit cleverly placed the blame on Washington, forcing U.S. officials to scramble to avoid a public relations setback. AID ultimately distributed the corn in smaller installments. PMGSE officials were not overloaded by a surprise influx of food, but they were forced to allow more NGOs into

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66 Ibid.
68 Ibid.
69 Ibid.
Ethiopia. By manipulating AID's public strategy, the RRC succeeded in receiving food on better terms.

Throughout 1984-1986, American officials used the press as a weapon against the PMGSE, highlighting Ethiopian missteps and AID victories in the international media. The Mengistu regime, however, proved that they too could use the media to their advantage-- the fight over positive publicity resulted in a bloody draw, with neither side entirely able to discredit the other.

Disputes about resources

The ongoing Ethiopian civil war became a second major point of contention between the Reagan administration and the Mengistu regime. AID's desire to monopolize relief resources and remove the Ethiopian government from relief efforts in rebel areas was a major component of the American strategy in Ethiopia. Since the early 1960s, a group of separatists, known as the Eritrean People's Liberation Front (EPLF), who hailed from the northeastern province of Eritrea, fought against both the Haile Selassie government and the PMGSE. In the mid-1970s a second group of separatists, known as the Tigrayan People's Liberation Front (TPLF), who hailed from the northern province of Tigray, also rebelled. These two revolts weakened the Ethiopian government, which relied heavily on Soviet military aid to suppress both groups. During the mid-1980s, AID

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71 Jansson, 127-129.
officials stressed the importance of distributing food to rebel areas, a policy that served well the Reagan administration's humanitarian and political objectives. AID officials stressed how "the USG made the relief effort in the North a priority… where the suffering from the drought was compounded by civil war."\textsuperscript{72} The suspicious Mengistu regime, however, resisted American efforts by limiting the number of official American personnel in Ethiopia to a few AID officers.\textsuperscript{73} If the United States were to have a role in distributing food to war-torn areas, it would have to be free from the direct oversight of American officials. Thus, the use of non-governmental organizations served as a key compromise between the two governments. The Reagan administration avoided giving large sums of money directly to a hostile government, while the Mengistu regime was able to exert some control over the civilian officials directing famine relief on the ground. As a result, non-governmental organizations received over 95 percent of American famine relief money, in the form of grants, while the Ethiopian government received the final 5 percent, in the form of 50,000 tons of food. Thus, non-governmental organizations conducted the vast majority of the day-to-day feeding operations, only occasionally bending to whims of their American donors.\textsuperscript{74}

Shortly before the United States made a major financial commitment to Ethiopia, a set of confusing negotiations foreshadowed problems involving humanitarian aid

\textsuperscript{72} Disaster case reports: Ethiopia, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{73} Disaster case reports: Ethiopia, 38, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
reaching the northern, war-torn provinces. In October 1984, food shortages plagued a shelter at Korem, a location just south of the Tigrayan border "within reach of many people from contested territory."\textsuperscript{75} At Korem, the RRC distributed food only to farmers who belonged to government-loyal peasant associations, though many refused to join such groups "because of fear of retribution from the TPLF."\textsuperscript{76} Feeding the people at Korem and at other government-run stations in northern Ethiopia would thus serve as a major humanitarian victory for the United States that could also bolster borderland populations and show local people the benevolence of American relief efforts. Not surprisingly, the Mengistu regime was hesitant to accelerate food distribution in conflict areas. McPherson and AID met with Dawit, who vowed to distribute more food to war-torn regions. Days later, a distraught Dawit informed AID that "only the chief of state can personally authorize the mobilization of emergency resources."\textsuperscript{77} Despite the best intentions of the RRC commissioner, the United States needed to find another way to distribute food to northern areas-- without cooperation from the Ethiopian government. After the Ethiopian government stressed that "no Ethiopian military transport is available to resupply, even a USG offer to pay fuel costs for Ethiopian transport planes has been implicitly rejected,"\textsuperscript{78} Korn suggested "getting the whole issue of PMGSE cooperation

\textsuperscript{74} Disaster case reports: Ethiopia, 4, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{75} Korn to Shultz, October 10, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{76} Ibid.
\textsuperscript{77} McPherson and Korn to Shultz, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{78} Ibid.
with the [private] donor community out in the open as soon as possible," suggesting "use of the ambassador's emergency fund to cover costs for food airlift for Catholic Relief Services." That agency replenished the station's dwindling food stocks, with support from an AID grant.

Thus, one month later, American policymakers drew up their aid package to Ethiopia with an eye towards non-governmental organizations. Both the International Red Cross and CRS played key roles in the relief effort. Both organizations had worked extensively in Ethiopia in 1983, when the famine first emerged, and each group had important connections in war-torn areas. The Red Cross, whose "action was concentrated in areas affected by the fighting where other humanitarian agencies have been unable to develop programmes" set up ten of their sixteen feeding stations in either Eritrea or Tigray, and the remaining six in provinces bordering the two separatist regions, despite the fact that southern Ethiopia was also afflicted by the famine. During 1985, the Red Cross received $21 million in direct grants from the federal government, the second most of any private organization. The Red Cross distributed an average of 2,000 tons of food per month in Eritrea and Tigray during 1985, assisted 130,000 people, and

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79 Ibid.
80 ICRC reports: Ethiopia, 107, Hazel Braugh Records Center, Falls Church, Virginia (from now on abbreviated to HBRC).
81 ICRC reports: Ethiopia, HBRC.
82 Disaster Case Reports: Ethiopia, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
spent a total of $83 million during that year, making grants from the United States one-fourth of the organization's budget for Ethiopia.\textsuperscript{83}

Although the International Red Cross espoused a philosophy of neutrality, Red Cross officials shifted their rhetoric during the 1980s. In 1982, Red Cross president Enrique de la Mata publicly supported Salvadoran leader Jose Napoleon Duarte, whom the Reagan administration viewed as a crucial partner in the fight against communism in Central America. American Red Cross officials also possessed a strong anti-communist ideology, framing the humanitarian crises in Afghanistan and Nicaragua as "a massive exodus of human beings fleeing an ideology with which they disagree."\textsuperscript{84} Additionally, the International Red Cross possessed strong ties with the Ethiopian Red Cross, which allowed the group to circumvent dealing with Mengistu officials entirely.\textsuperscript{85} Not surprisingly, relations between AID and the Red Cross were friendly throughout the Ethiopian famine. The Red Cross possessed an ideology that Reagan officials admired, plus the group allowed AID to sidestep RRC supervision.

Catholic Relief Services, the largest recipient of U.S. disaster grants, received $28 million from AID in 1985. Unlike the Red Cross, however, CRS did not possess a strong anti-communist ideology, but was the most established and best-connected non-governmental organization in Ethiopia. CRS officials built rapport with the Mengistu

\textsuperscript{83} ICRC reports: Ethiopia, HBRC.
\textsuperscript{85} Disaster Case Reports: Ethiopia, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
regime throughout 1983 and 1984, and the agency earned the cautious trust of the RRC. AID recognized that "CRS took the lead role in procuring and sending food from donors. It was the only non-governmental organization on the scene with an established bureaucracy." In particular, smaller relief organizations looked to CRS for help distributing food and co-ordinating feeding efforts, making it impossible for AID officials to avoid the group. CRS's connections to the Ethiopian government allowed it to distribute aid more efficiently, but made AID officials frequently question the organization's loyalty. These doubts deepened in 1984, when Mother Teresa, who was financially supported by CRS, criticized AID for a weak response to the famine. CRS's monopoly on relief resources plus its ties to the PMGSE contributed to the group's contentious relationship with AID.

While the use of private, non-governmental organizations allowed food distribution to proceed in rebel-controlled areas, the Ethiopian government still was suspicious of relief efforts in the north and employed tactics to restrict the efforts of private groups. In late 1985, the RRC made non-governmental organizations sign individual permits and contracts "to distribute food in specified areas with a target level of recipients and aid to coordinate NGO efforts and to prevent duplication and overlapping. In practice, however, this additional level of red tape served as a bureaucratic hurdle designed to "... curb NGO activities and impede responsiveness to

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areas of need.\textsuperscript{88} Additionally, the Ethiopian government took steps to "reduce the number of expatriates employed by the NGOs" as well as "take greater control of trucks and aircraft employed by the NGOs."\textsuperscript{89} Armed with a series of permits and restrictions, the Mengistu regime hoped to strangle relief efforts in the North. Efforts such as these prompted angry Red Cross workers to close most of their feeding sites in 1986.

AID officials and the PMGSE also sparred over the trucks used to transport and distribute food. In August 1985, Ethiopian officials strenuously objected to American plans that involved supplying several NGOs with truck fleets. Dawit "pleaded with... AID officials not to further strengthen the NGOs at the expense of the RRC."\textsuperscript{90} Dawit's plea frustrated U.S. officials, particularly James Cheek, who noted "we don't trust the RRC to use trucks we might provide only for famine relief."\textsuperscript{91} Aware of how the Ethiopian government might further restrict the actions of the NGOs, AID officials drew up a plan designed to "re-examine [AID's] initiative on internal transport to be made palatable to the PMGSE."\textsuperscript{92} American policymakers decided to use the United Nations as an intermediary. AID officials offered to donate trucks to the UN fleet, which would be operated by private organizations under UN oversight. Dawit, in an "agitated tone,"

\textsuperscript{87} Norman D. Sandler, "U.S. Willing to Boost Aid to Ethiopia," The Washington News.
\textsuperscript{88} Disaster case reports: Ethiopia, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{89} Ibid.
\textsuperscript{90} Cheek to Shultz, August 10, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{91} Cheek to Shultz, August 20, 1986, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{92} Cheek to Shultz, August 10, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
rejected the American offer, stating he "would only agree to a UN fleet if its day-to-day actions are controlled by the RRC. The trucks can be painted any color you like, but the drivers and mechanics must be Ethiopians. Any further concessions and I would not be able to sell the arrangements to [PMGSE] superiors." The RRC had won a larger role in the coordination of UN-fleet feeding caravans.

In order to combat the restrictiveness of the Ethiopian government and regain control over resources, the Reagan administration resorted to some of the sharper tools in its diplomatic toolbag. In August 1985, the same month that Dawit weakened NGO control over the UN truck fleet, AID and State Department officials prepared a congressional report critical of the Ethiopian government. Although superficially protective of American policy toward the Mengistu regime, the document detailed how "the Ethiopian government's record on human rights is deplorable," noting that "the Ethiopian government's political, economic, and military policies have no doubt caused vast and unnecessary human suffering," while at the same time highlighting how "approximately 5 million Ethiopians are receiving food aid" through American famine assistance. The study recommended a trade embargo against Ethiopia. The AID-State Department report served two purposes.

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First, it took a more aggressive stance against Ethiopia in an attempt to mollify a growing body of far-right congressional critics who opposed any form of government aid toward a socialist country. While Democrats and moderate Republicans generally supported famine relief, a bloc of Senators led by Jesse Helms demanded McPherson's resignation and nearly scuttled the AID director's appointment to a treasury post years later.96 Second, Reagan officials threatened the PMGSE with material consequences if they failed to reformulate their feeding policies in rebel areas. Days after the publication of the report, Ethiopian officials changed their tune, "allowing private American groups to distribute emergency relief supplies to famine-stricken people living behind rebel lines in the north of the country, apparently responding to the threat of a U.S. trade embargo."97 McPherson observed that "overall delivery of U.S. emergency relief was dramatically better than two months ago" and that "Ethiopian officials were very much aware of the congressional directive."98 By November, an American congressional delegation noted significant improvements in feeding efforts, observing "excellent NGO and RRC operations. The congressmen will be appealing to both the administration as well as to the Congress for more funds for Ethiopia."99

98 Ibid.
Although diplomatic hardball resulted in a temporary victory for the United States, the Mengistu regime resorted to old tricks in the months that followed, restricting relief in northern areas as soon as political pressure vanished. By February 1986, Ethiopian officials clamped down on northern feeding, curtailing the efforts of the Protestant-led World Vision Relief Organization (WVRO). WVRO leaders complained that "[we] have been ordered to distribute only to government-controlled villages, WVRO's staff is allowed only to travel one kilometer out of town. World Vision is also holding up distributions because of a unilateral RRC decision to amend World Vision's 'Food for The North' contract.\textsuperscript{100} Hard-nosed diplomacy opened rebel areas briefly to relief efforts in September 1985, but Ethiopian officials slowly reverted to their earlier strategy by February 1986, further frustrating American policymakers, who seemed unable to change the Mengistu regime's course, no matter what strategy they employed.

Additionally, rebel groups hampered northern feeding efforts. The TPLF, desperate for rations and supplies, viewed unarmed NGO distribution caravans as easy and bountiful targets. Although the Mengistu regime showed little concern for starving people in rebel areas, the rebels seemed to show similar indifference; their raids drastically impeded relief efforts in the north. In March 1986, WVRO and CRS officials complained about "numerous attacks in recent days by the TPLF," elaborating that "eight commercial trucks were individually stopped by the TPLF, one of the drivers was shot to

\textsuperscript{100} Cheek to Shultz, February 11, 1986, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
death." These attacks continued, forcing CRS officials to carry automatic weapons. The Red Cross was not immune to TPLF attacks, either. During the same month, Red Cross convoys also were attacked by TPLF guerrillas when relief trucks drove into an ambush meant for the PMGSE. The TPLF noted the presence of the Red Cross convoy, destroyed their trucks, and absconded with the cargo. Despite hundreds of millions of dollars in grant money from the United States, private organizations encountered a juggernaut of difficulties while on the ground, as both the Mengistu regime and rebel separatist groups restricted the actions of relief efforts. No amount of American soft power could seemingly overcome such obstacles.

Furthermore, AID's strategy of giving resources to private groups allowed the U.S. government to distribute relief in rebel-held areas, but at the expense of direct American control over the feeding efforts. Private groups, particularly CRS, frequently took American money and then enacted their own relief policies. In May 1985, AID officials pressed CRS to further extend their feeding program in rebel-held area. CRS director Frank Carlin agreed, but attached several key demands that AID was forced to concede. Carlin stated he was willing to proceed in "undertaking this program with some trepidation, it cannot however provide financial support for the program." Carlin added, "CRS headquarters already feels that it has not gotten promised financial support from AID for a number of important undertakings in Ethiopia and this has caused heavy drain

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102 Ibid.
Additionally, CRS sought to restrict World Vision's authority in the northern feeding programs, leading several NGO leaders to accuse CRS of "trying to maintain its famine-relief fiefdom." A frustrated David Korn, however, recognized that without the help of CRS "we may not be able to carry out the feeding program in the north" and requested "to press headquarters to assist ASAP." Carlin, the leader of the best-established NGO operating in Ethiopia, held American goals hostage until CRS procured more funding for its own feeding initiatives.

By February 1986, relations between CRS and AID had deteriorated badly. In a "lengthy and acrimonious" meeting between Carlin and AID officials, Carlin revealed that CRS had expanded its food aid program with the RRC without consulting AID. Officials at AID expressed dismay that CRS had used American funds to shift resources to the RRC, the organization that AID was trying to cut out of relief efforts. Additionally, CRS's decision to expand their feeding efforts threatened to "use up the full 80,000 tons of [their] AID contribution by June," but Carlin stated that he "had a great deal of faith that additional contributions would be found," thus blackmailing U.S. officials a second time for more money. During the same meeting, an AID official criticized Carlin for signing contracts with the RRC without American approval. Carlin

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105 Ibid.
responded by saying such bureaucratic obstacles were a "waste of time." When AID officials objected, he added that "we are talking about babies' deaths." Carlin's remarks scared AID officials, who feared that CRS would turn to the press unless more funding was immediately provided by the U.S. government.

AID's fears were justified. On February 20th, 1986, The Washington Post published Carlin's statements. He accused AID of "asking us who will live and who will die," and "limiting food aid because of distaste for Ethiopia's Marxist military government." Carlin summed up American actions as "immoral," stating that AID only provided assistance to Ethiopia when "prompted by the people. We are going to have to have something like that happen again." AID angrily shot back, commenting that they were "concerned that CRS are setting up a situation where they could accuse the U.S. or other donors of not providing the resources to keep their program going or to force us to provide resources that we don't have." U.S. officials, angered at Carlin's public appeals, reduced CRS's grants by over 50 percent in 1986, but still were forced to pay CRS over $18 million during that year. Additionally, the showdown between AID and Carlin only caused CRS to act more autonomously. By the end of February, CRS had requested and received resources to operate feeding programs in peasant resettlement camps operated by the Ethiopian government. AID strictly prohibited American

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107 Ibid.
108 Ibid.
110 Ibid.
assistance to these camps, and AID officials were dismayed that CRS, a major recipient of American dollars, had decided to help the Mengistu regime feed peasants destined for forced resettlement.\textsuperscript{112}

Washington’s efforts to control relief resources were only marginally successful. Although the distribution of grants to private relief organizations kept food out of the hands of the RRC, the Ethiopian government succeeded in exerting some control over the truck fleets used to distribute the food. Moreover, AID officials discovered that coordinating a large group of private organizations was more difficult than anticipated. Although the U.S. government had a fast ally in the Red Cross, Ethiopian officials placed numerous bureaucratic obstacles in the path of Red Cross officials, forcing the organization to close many of its northern feeding sites in 1986. The Mengistu regime removed these bureaucratic restrictions only when threatened with a trade embargo. Additionally, Catholic Relief Services, the largest and best-established NGO operating in Ethiopia, viewed AID’s directives as mere suggestions. By 1986, CRS, the largest recipient of American grant money in Ethiopia, had sharply criticized AID’s policies in the press, signed contracts without AID approval, and helped the Mengistu regime carry out a policy of land reform that the United States had condemned. In sum, the general failure of AID’s campaign to deprive the PMGSE of resources illustrates the limits of American agency in Ethiopia.

\textsuperscript{111} Ibid.  
Disputes about the movement of people

The U.S. government and the Mengistu regime also sparred on one final issue--the movement and migration of the Ethiopian people themselves. During the years of the famine, the Ethiopian government carried out a controversial resettlement policy, forcibly moving farmers in drought-prone areas to more fertile locations throughout the country. This policy of resettlement also was closely tied to the Mengistu regime's Soviet-inspired "land to the tiller" reform policy, designed to redistribute control over farmland to favor peasant planters on collective farms. In 1975, the Mengistu regime officially terminated all landlord-peasant relationships, declaring all rural land public property. Beginning in 1984, the Ethiopia government started using the famine to step up resettlement, moving 600,000 people in the two years that followed. While the United Nations criticized the Mengistu regime's timetable for resettlement as overly ambitious and "unrealistic," UN officials conceded that there was "little doubt" that such mass migrations were needed. In fact, major NGOs including Catholic Relief Services and Live Aid/Band Aid worked to distribute aid in the resettlement camps, along with officials from several Western governments, most notably Canada. Donor countries

113 Jansson, 64.
115 Ibid.
disagreed with the coercive and violent nature of Mengistu's resettlement program, but conceded that movement of people away from drought areas was required.

The United States, however, took a unilaterally negative position toward resettlement, opposing the "forced gathering of people by the Marxist Worker's Party of Ethiopia" and arguing that "our assistance [to resettlement] would only serve to embolden the PMGSE to continue this reckless and brutal program."116 From 1984 to 1986, AID worked to restrict the Ethiopian government's resettlement policy, first by enlisting the help of other nations involved in famine relief, and secondly, by threatening to withdraw food aid altogether. Thus, the U.S. government attached strict conditions to famine relief, using drought assistance as a cudgel to change the internal policies of the Ethiopian government.

U.S. concerns about the Mengistu regime's resettlement strategy emerged in October 1984, shortly before the Reagan administration increased America's commitment to the Ethiopian drought. Acting on information passed down from the RRC, a dismayed David A. Korn reported that the Ethiopian government planned "a movement of people from the famine areas to more fertile areas."117 Korn pressed the RRC for more information about the government's resettlement plans, fixating on whether or not "those moved would be settled in collective farms." In response, AID and the State Department drew up policy formally opposing the Mengistu regime's resettlement policy, forbidding

"international aid for the resettlement program" although not restricting "international humanitarian aid."\textsuperscript{118} Thus, the United States vowed to continue providing Ethiopia with food aid, but aimed to prevent any American dollars from assisting Mengistu's resettlement efforts-- a goal that would become increasingly harder to achieve.

By mid-July 1985, dismayed AID officials noted that government-to-government aid could be used to finance the Ethiopian government's resettlement schemes, reporting that "our food resources may seem to be seen as supportive of widespread villagization [resettlement] program in the highlands. PMGSE officials state the forced concentration of rural people is to enable PMGSE to provide better services. Others see it as a first step toward collectivization."\textsuperscript{119} AID officials tightened their belts, restricting the amount of grants to organizations supportive of Ethiopia resettlement. In particular, AID butted heads with the United Nations' World Food Programme (WFP). Citing a "strong reason for presuming WFP commodities have been diverted to resettlement sites," Korn stressed that both AID and the U.S. embassy had "not supported any new food requests for WFP," in disagreement with the UN's "generally non-aggressive attitude."\textsuperscript{120} Thus, American policymakers sent a message to the myriad of NGOs working in Ethiopia, threatening to withhold funds to organizations that helped the Ethiopian government with their

\textsuperscript{117} Korn to Shultz, October 4, 1984, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{118} Whitehead to McPherson, July 12, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{119} O'Neill to McPherson, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{120} Korn to Shultz, June 14, 1985 RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
resettlement efforts. WFP grudgingly suspended their work in resettlement camps in August 1985, and once again received American funds.\textsuperscript{121} While this tactic prevented NGOs from working in resettlement camps until 1986, it did not slow down Ethiopian efforts to relocate farmers. The Mengistu regime continued pursuing its resettlement goals throughout 1985.

During the same year, AID officials stepped up their attempts to curb the Mengistu regime's resettlement plans. In May, AID met with members of the European Commission (EC), hoping to shore up support against resettlement. The EC joined the United States in expressing concern that "a great deal of [food] resources are [being] allocated for the resettlement areas."\textsuperscript{122} The EC proceeded to make portions of a developmental grant to Ethiopia conditional on the cessation of radical agricultural reforms.\textsuperscript{123} Despite the threat from the EC, the Mengistu regime proceeded with land reform.

Unable to use financial leverage to stop resettlement, AID employed other tactics. AID officials embraced a discourse of human rights in hope of embarrassing the Ethiopian government. In August, McPherson met with the RRC, strongly "criticizing the resettlement program as forced and involving serious human rights violations," adding

\textsuperscript{121}Parsons to Shultz, August 14, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{122}Korn to Shultz, May 1, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{123}Korn to Shultz, June 28, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
that he, "sought concrete actions and not just talk on improving relations." The RRC was not intimidated and defended its resettlement efforts, labeling accusations of human rights violations as "highly exaggerated and politicized. [Resettlement is] something for which there really is no alternative." McPherson made his concerns about resettlement public in December, issuing a press release that labeled the Ethiopian program as "massive and inhumane" and stated that "our only recourse in cases of persistent human rights violations is to call world attention to them, continuously, and in every possible forum." Both Reagan and Mengistu officials backed away from a costly firefight in the press and returned to negotiations. The PMGSE agreed to halt its resettlement campaign, vowing to suspend the program until 1987.

The gains made by McPherson and AID, however, were ephemeral. By February 1986, the PMGSE resumed relocating Ethiopian farmers-- just as soon as publicity about the issue had waned. Once again, American decision-makers employed a variety of strategies to try to halt resettlement. McPherson attempted to win the support of the United Nations. Meeting with UN officials in February, he conveyed "USG unhappiness over what appeared to be UN support or apologies for Ethiopian resettlement. The UN should not be raising money for resettlement." McPherson urged the United Nations to

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provide international observers to oversee the migration of farmers and to press Mengistu to end resettlement through the "drought emergency period." In order to stress that the issue of resettlement was a high priority among American officials, McPherson stated that "[AID] has worked hard to provide relief aid to Ethiopia, but the resettlement question is putting us in a difficult position to continue this help." Thus, AID threatened to terminate all assistance to Ethiopia, leaving the UN holding the bag and the blame. To McPherson's dismay, however, the UN did not change course as it had done in July 1985. Instead, in an acrimonious meeting where "there was blood all over the floor," UN envoy Michael Priestly firmly stated that "the UN is neither for nor against resettlement," rebuffing McPherson's demands. When pressed to urge Mengistu to halt resettlement for "at least a year," Priestly replied that he was "not optimistic that this was going to happen." Although the UN agreed to provide international observers, this concession was far from the united front McPherson wished to create. McPherson's threat to withhold aid proved to be a bluff; the United States reluctantly supplied Ethiopia with famine relief throughout 1986.

Uncowed, McPherson resorted to other aggressive tactics to stop resettlement. Shortly after his meeting with UN representatives, McPherson stressed that the "Ethiopian regime is committing grievous human rights violations via its forced

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130 Ibid.
resettlement program" and began "going to Ethiopia's aid donors to consider what our response should be."\textsuperscript{131} McPherson's ploy backfired. Catholic Relief Services, at odds with American policy, commenced relief efforts in the resettlement camps. Additionally, Bob Geldof's Band Aid also began distributing aid to resettled farmers, with help from Canadian officials.\textsuperscript{132} McPherson's efforts to create a unified, international response against the Mengistu regime's policies had failed. Although AID officials contracted private relief organizations to distribute food, these organizations had their own priorities and values. While Reagan officials successfully cut off grants to a few intransigent NGOs, AID needed private organizations more than private organizations needed AID. The United Nations, which functioned mostly independently in Ethiopia, also proved to be an unreliable ally. When the UN decided that resettlement of farmers was necessary, McPherson lacked the leverage to persuade them otherwise.

AID's attempts to change internal policy in Ethiopia began with promise. American officials worked with the European Commission to suspend agricultural grants to Ethiopia. McPherson succeeded in leveraging the WFP into a more stringent policy against the relocation of farmers. Resettlement continued, however, and McPherson's ploy to stress Ethiopian human rights violations resulted only in temporary stoppage of peasant migration. As a result, AID made a last-ditch effort to force the United Nations and private NGOs to join the United States in opposition to resettlement. The UN,

\textsuperscript{131} Walters to Shultz, February 21, 1986, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder “Ethiopia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
however, did not flinch at McPherson's threats to suspend assistance to Ethiopia, and NGOs such as Catholic Relief Services simply stopped listening to the United States. AID entered the debate over resettlement like a lion, but left like a lamb, unable to marshal enough American power to force any significant change in the Mengistu regime's land reform policies.

Epilogue

In August 1986, AID officials met to discuss options for Ethiopian humanitarian aid for the next year. Though pleased that the famine was beginning to dissipate, policymakers expressed disappointment about the difficulties they had encountered during the past two years. Overall, AID recommended "emphasizing only those [NGO] programs that would directly rehabilitate drought victims" and to "provide assistance to only those programs that are time limited" in order to avoid providing "an indefinite supply of USG commodities." Additionally, AID advocated maintaining ties with CRS only because "it would be undesirable to eliminate CRS and take on CRS and Mother Theresa publicly." Thus, as conditions in Ethiopia improved, American officials slowly retreated from the lofty goals they sought when they began assisting Ethiopia in November 1984. Despite spending over $500 million in famine relief and embarking on a campaign of soft power to weaken and discredit the Ethiopian government, the

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Mengistu regime seemed as powerful as ever. Similarly, Soviet policymakers failed to achieve the objectives of their policies. Although the U.S.S.R. had given the Mengistu regime over $3 billion in military assistance, the civil war in Ethiopia continued, outlasting the Soviet Union itself. While Washington was able to escape from Ethiopia when the famine ended, the Soviets and their financial support remained.

AID attempts to win publicity for American relief efforts antagonized Ethiopian leaders and created a climate of distrust and suspicion that hampered attempts to distribute food to war-torn areas. The American strategy of privatizing relief efforts to non-governmental organizations allowed the United States to feed over six million people, but did little to help AID strip the RRC of its control over resources. Instead of being at the mercy of the Mengistu regime, American officials found themselves at the behest of Catholic Relief Services officials who viewed orders from AID dismissively and constructed a separate policy of famine assistance that often conflicted with the Reagan administration's objectives. Lastly, AID efforts to change the Mengistu regime's policy of peasant resettlement failed entirely. Ethiopian officials suspended land reform programs in the face of heightened public scrutiny but resumed resettlement efforts within weeks. McPherson's efforts to muscle the United Nations and NGOs into an anti-resettlement coalition failed.

Overall, American policymakers hoped to weaken and discredit the Mengistu regime in an attempt to win a political return on their investment of over $500 million in 133 Cheek and McPherson to Shultz, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folder
humanitarian aid. While these goals were not surprising when viewed in light of the Reagan Doctrine, AID quickly discovered the difficulties involved in attaching political objectives to money designated for international disaster relief. AID leaders were unable to win either the trust of Ethiopian leaders or the hearts of other Western allies. Lacking any sort of global coalition or local support to accomplish their objectives, AID officials soon discovered the limits of American power, as they were unable to make any noticeable difference in Ethiopia outside of broad humanitarian relief, which was their second priority.

Surprisingly, American policymakers continued to pursue similar policies in Africa. In 1992, American soldiers entered Somalia as part of Operation Restore Hope, tasked with both distributing food "by any means necessary" and weakening the regime of warlord Mohamed Farrah Aidid. While the United States once again succeeded in distributing food to millions of hungry people, American policymakers failed to install a stable government in Somalia. The United States left Somalia in 1993 and the U.N. followed in 1995.134

In 1991, the Ethiopian People's Revolutionary Democratic Front, a group consisting of members from the EPLF and TPLF, toppled the Mengistu regime, ending sixteen years of communist rule. While the event most certainly was a cause for celebration among American officials, the reason for the EPRDF's victory was not. As the Soviet Union's power waned during the late 1980s, the amount of military assistance

to Ethiopia declined, allowing separatist groups to unite and overthrow the government.\textsuperscript{135} The decline of the Soviet Union deprived the Mengistu regime of its most powerful ally, leaving it crippled and destabilized beyond repair. The EPRDF overthrew Mengistu without the United States having to spend a dollar. Although AID's political objectives in Ethiopia had failed, Reagan officials were able to claim victory for their humanitarian efforts. “Africa famine work was a huge positive,” McPherson later stated. “We provided six million tons of food in one year.”\textsuperscript{136}

\begin{footnotes}
\item[135] "Mengistu Changes Course in Midst of Setbacks," The Associated Press, 21 May 1990.
\item[136] Interview with M. Peter McPherson, October 4, 2009.
\end{footnotes}
Chapter Three

"The Wayward Eagle and the Invisible Hand: Resistance and Reconstruction After the Mexico City Earthquake of 1985"

On October 10th, 1985, Mexican president Miguel De la Madrid Hurtado gave a speech with one purpose-- to unite the Mexican people. Three weeks earlier, a vicious tremor had interrupted a peaceful day in the capital city of Mexico. An earthquake, magnitude 8.0, caused catastrophic damage to residences and businesses through the city. The initial shock of the earthquake destroyed over 250 multi-story buildings, killed 3,000 people, buried countless others, injured 80,000, caused four billion dollars in damage, and left over 250,000 Mexicans homeless. An aftershock toppled many of the buildings damaged by the first earthquake. By September 20th, over 500,000 people had no shelter.¹

The earthquake, which coincided with a massive economic recession, posed a daunting political challenge for both De la Madrid and his party, the Partido Revolucionario Institucional (PRI). The Mexican president thus sought support from all Mexicans, casting his reconstruction plan as a "process of broad participation and communication within the society," that would require the assistance of "workers,

¹ Poniatowska 20-21; "Despues del Sismo, Mexico en Pie" October 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
peasants, businessmen, intellectuals, academics, scientists, professionals, and artists."  
De la Madrid concluded by unveiling a large banner that proudly displayed the slogan "México está en pie [Mexico is on its feet]!" amid cheers from the crowd.

Mexico, however, was not on its feet. The nation, which depended heavily on foreign sales of oil, had fallen into a steep recession as the 1980s began. As global oil prices plummeted, inflation spiraled out of control and foreign debt accumulated. By 1982, the inflation rate of the Mexican peso was nearly 100 percent. When De la Madrid, a Harvard-educated, market-oriented president, took office in 1983, he inherited these problems and by 1985 the troubles in Mexico had gotten worse. Three straight years of decline in the Mexican economy had led to high prices, low wages, and widespread unemployment. De la Madrid, with the assistance of a group of policymakers influenced by freshwater economics known as the Technocrats, responded by increasing foreign investment, shrinking the state apparatus, and lowering trade barriers. In short, the Mexican president sought a neoliberal solution that de-emphasized the federal state. Although the PRI still owned monopolies over the oil, banking, travel, and telecommunication industries, by 1985 the government already had dissolved 237 state-owned corporations, selling them off to private, often foreign, owners, while vowing to

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decentralize more government services. Early in his term, De la Madrid described the process of nationalization as "a system that doesn't guarantee anything," and "a thrust to the heart." The earthquake of September 1985 added an exclamation mark to Mexico's numerous problems.

The earthquake paralyzed the federal government, decimated the capital city, and eroded the public's faith in Mexico's ruling party. Although the institutions of the PRI had controlled Mexican government since the 1920s, citizens had begun to lose faith in their leaders. In 1968, days before the Summer Olympics in Mexico City, protestors gathered in the barrio of Tlateloco, clamoring for social and political reforms in response to the PRI's suppression of several labor unions. In response, government troops killed more than 200 protestors, causing many Mexicans to question whether the PRI intended to carry out the aims of the 1910 Revolution or simply wished to hold on to power. In the 1980s, many Mexicans joined opposition parties such as the leftist Partido de la Revolución Democrática (PRD) and the business-friendly Partido Acción Nacional (PAN). After the tremor, critics assailed the PRI and De la Madrid for not doing enough to rebuild Mexico City in the weeks that followed the earthquake. Although President De la Madrid's October 10 address boasted of cooperation across class lines, he spoke to a small audience of Mexico's elite outside the Museo Nacional De Antropologíca, fearful

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of the massive protests that were occurring throughout the barrios of the city.\textsuperscript{6} Faced with widespread public discontent, an expensive rebuilding project, and an economic crisis, the Mexican president sought to rebuild the PRI's image and alleviate the country's financial woes.

This chapter argues that the Mexico City earthquake of 1985 opened a space for negotiation between the state and everyday people, but also furthered the PRI’s neoliberal goals. As barrio residents from Tepito, a working class neighborhood in Mexico City, began to take to the streets in opposition to the PRI's slow response to the earthquake, government officials widened the state's response to the catastrophe. President De la Madrid passed laws shielding barrio residents from eviction, vowing to allow ordinary citizens a role in the PRI's reconstruction plan. Thus, barrio residents won concessions from the government at the cost of their independent resistance. The PRI reluctantly listened to Mexican citizens, channeling local forms of protest into a larger, state-supervised apparatus where dissent could be expressed without political cost to the elite. President De la Madrid quickly exploited the concerns of barrio residents to introduce economic reforms to Mexico, transforming a largely statist society into a neoliberal nation that favored foreign investment and free trade. By emphasizing local, private control over the rebuilding efforts, the PRI de-emphasized the role of the state in earthquake renovation. Additionally, the Mexican government used the earthquake to

\textsuperscript{6} Paul Knox, "Change on the Agenda as Mexico Rebuilds," The Globe and Mail (Canada), October 10, 1985.
attract foreign investment to Mexico, pressing foreign capitalists to invest in the reconstruction of the capital city.

As De la Madrid slowly rebuilt Mexico in a neoliberal image, Reagan officials such as M. Peter McPherson and Elliot Abrams stood off to the side, quietly helping the PRI achieve its goals. De la Madrid, fearful of being branded a foreign puppet, initially rebuffed public offers of assistance from the United States, cutting Washington out of relief efforts. Because Reagan officials played a relatively minor role in the initial response to the earthquake, the first sections of this chapter will focus on the dialogue between the Mexican government and its people. In the months following the earthquake, however, De la Madrid changed course. The Agency for International Development (AID) extended Mexico hundreds of millions of dollars in credit, often directing funds through international organizations such as the World Bank in order to dodge charges of imperialism. Although De la Madrid entered office with neoliberal ideas already in mind, the disaster allowed the Mexican President to implement his reforms more speedily and thoroughly. The tremor, along with Mexico's economic crisis, catalyzed the change that the PRI desired. In De la Madrid's own words, "The earthquake gave rise to talk of radical transformations. Everyone knew that is what I wanted to happen. Mexico could be reborn, recreated. All that was needed was a decision, mine."7

Thus, the Mexico City earthquake is important for several reasons. First, the earthquake and the subsequent relief effort were representative of global economic
changes that occurred during the 1980s and 1990s. Deng Xiaoping began to introduce
capitalist ideas to China in 1982, dismantling communes, lowering trade barriers, and
encouraging foreign investment. In the early 1990s, Indian Prime Minister P.V.
Narasimha Rao introduced a series of deregulatory reforms, intended to boost the influx
of foreign capital and liberalize his nation's economy. While scholars such as Odd Arne
Westad have argued that these changes in China and India represented a shift in capital
from West to East, the introduction of foreign investment and free trade to Mexico after
the 1985 earthquake demonstrates that the growth of neoliberalism was a worldwide,
rather than regional, phenomenon. The PRI's neoliberal reforms resulted in the 1994
implementation of the North American Free Trade Agreement (NAFTA), the largest
trade agreement in world history. NAFTA moved American capital southward, leading
to massive border industrialization in Mexico and the loss of manufacturing jobs within
the United States as well as creating a population surge in the northern regions of
Mexico. The late 20th century redistribution of Western capital was thus a global process
in which Mexico, through the earthquake of 1985, played a major role.

Second, the Mexico City earthquake both foreshadowed and contributed to the
fall of the PRI in 2000, the first time state power changed hands in Mexico in nearly
seventy years. The earthquake and subsequent sluggish response of the PRI weakened
the Mexican state and led to widespread criticism of the government, both in the barrios
and intellectual circles.

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Lastly, the Mexico City earthquake reveals the economically centered motives of Reagan officials, who used disaster relief to assist PRI reconstruction reforms. The Reagan administration knew of President De la Madrid's neoliberal aims prior to 1985 and favored the Mexican president's new economic policies. In the words of Elliot Abrams, “we were always going to respond because Mexico was our neighbor”.\(^8\)

Although American policymakers played only a peripheral role in the reshaping of the Mexican economy, their response provides insight into the core motives behind Reagan’s foreign policy.

This chapter draws from an eclectic body of sources. Scholars such as Gilbert Joseph and Ted Nugent have explored the complex dialogue between ordinary Mexicans and the Mexican state, arguing that the PRI was a state structure that emerged from the chaos of the Revolution, eventually metamorphosing into a source of authority that everyday citizens tolerated, created, and resisted. The PRI’s rule was thus the outcome of a negotiation between politicians and citizens. Gilbert and Joseph’s seminal study is one of the most important contributions to the historiography of the Mexican Revolution; my chapter discusses a more recent period of time, using their arguments as a foundation.\(^9\)

Additionally, Harry Cleaver, an economist from the University of Texas, has published scholarship about the earthquake itself. Cleaver's article "The Uses of an Earthquake" discusses the mobilization of the barrio residents as well as the PRI's neoliberal goals.

\(^8\) Elliot Abrams, “U.S.-Israel Relations” (talk given at Ohio State University, Columbus, Ohio, May 21, 2009).
Cleaver, however, focuses upon the organization of the Mexico City *barrios*, whereas I take a closer look at the response of the Mexican state.\(^\text{10}\) Although the historiography about the Mexico City earthquake is still emerging, the disaster's impact was widespread, reaching from the *barrios* of Tepito to the Mexican ballot box to the Oval Office.

*Greater than its problems: The Mexican response to the earthquake*

In the wake of the destruction of September 19, the Mexican people faced a series of imposing challenges as they tried to dig out of the rubble. The PRI, plagued by communications problems and determined to cast a nationalist, independent image, spurned outside offers of help while turning a deaf ear to the thousands of people left homeless, injured, or buried. The government offered little or no assistance during the first hours of the disaster, leaving ordinary people to co-ordinate the rescue efforts themselves. Local residents, particularly in the *barrio* of Tepito, united to protect each other, forming rescue brigades that saved countless lives as public officials watched from the sidelines. The relief efforts eventually served a larger purpose. Faced with fears of eviction and long-term homelessness, *barrio* residents built upon the structure of the rescue brigades, remaining organized to protest the lack of action and assistance from the PRI. These local actors forced government leaders to take a second look at their policies of reconstruction and develop a more sophisticated plan.

As the people of Mexico City struggled to survive, the PRI coordinated an inefficient and ineffective response to the earthquake. One day after the earthquake, little order existed in Mexico City. President De la Madrid made no immediate public statements to calm the disordered throngs of barrio residents, except to declare a suspension of government activities. The military eventually deployed 10,000 soldiers to the earthquake zone, but it was Ramon Aquirre, the mayor of Mexico City, not De la Madrid, who authorized the use of the armed forces. The army, however, was woefully undermanned to cope with the disaster, as were local public services. While soldiers protected private property, maintained public order, and prevented looting, most of the troops were unable to participate directly in the relief efforts.\(^{11}\) Officially, the government cited damage to the city's phone system as the reason behind its slow response. Stressing that the earthquake initially knocked out all telephone services in Mexico City, PRI officials drew attention to the fact that important government ministers could not communicate with each other, and that President De la Madrid’s phone call to President Ronald Reagan was disconnected several times because of the phone problems. Nervous PRI officials, anxious to avoid charges of inaction, advised lower level administrators to "show the actions of the government began minutes after the earthquake. We began work minutes after the earthquake. 15 minutes did not pass before


the government responded to the rescue work. Signal to the foreign press that we share the humanitarian sentiments of the people of the city.\textsuperscript{12}

While communication problems certainly hampered relief efforts, foreign officials remained skeptical of the PRI's motives. Officials within the Reagan administration contacted PRI officials the day after the disaster, offering both material and financial assistance to the Mexican government. Mexican officials rebuffed American offers of assistance stating "We are currently in the process of determining the extent of the damage in the affected areas and are assessing the situation, and we will be in touch."\textsuperscript{13} State Department officials concluded that, "traditionally, the Mexicans have been reluctant to accept disaster relief, especially if accompanied with great publicity, apparently because they perceive that doing so would be an admission that the Government of Mexico cannot cope with emergencies."\textsuperscript{14} Additionally, U.S. Ambassador John Gavin reported that PRI officials were underreporting the magnitude of the disaster by insisting that "4,000 people were killed... the 'true' dead and missing count to total some 20-30,000."\textsuperscript{15} In the days following the earthquake, the Mexican government declined assistance from other countries, too. Ambassador Gavin noted that PRI officials turned away Spanish rescue crews after they had arrived in Mexico City.

\textsuperscript{12}Secretaría de Gobernación; Dirección General de Información; Mexico D.F. 23 September 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12
\textsuperscript{14} Ibid.
\textsuperscript{15} Gavin to Shultz, January 9, 1986, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Mexico,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
Additionally, German officials left the earthquake zone hours after their planes landed, complaining that "they had been shot at by Mexican police who were busy looting a collapsed jewelry store instead of rescuing the trapped victims."\textsuperscript{16} One day after the earthquake, President De la Madrid confirmed the PRI's intention to tackle the massive relief efforts without public foreign aid. During a tour of several devastated neighborhoods, the Mexican president nonchalantly stated, "we are prepared to respond to this situation, and we do not need foreign assistance. Mexico has enough resources, and together people and government will overcome. We are grateful for the good will extended to us, but we are self-sufficient."\textsuperscript{17} Despite the fact that 30,000 people were still missing, the Mexican ambassador to the United States added, "We'll get out of this ourselves. Mexico is greater than its problems."\textsuperscript{18} While De la Madrid would later accept aid privately, the PRI made a point of rebuffing public gestures of assistance in the days following the disaster.

Ambassador Gavin turned to the private sector to raise money for immediate relief, calling for help from "private sector voluntary organizations that might be able and willing to handle cash donations from US governors and/or private individuals and oversee their disbursement."\textsuperscript{19} After some debate, the Reagan administration turned to the U.S. Chamber of Commerce to oversee American donations, responding to Mexican

\textsuperscript{16} Gavin to Shultz, December 4, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Mexico,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{17} Poniatowska 15.
\textsuperscript{18} Ibid.
concerns about appearing imperialistic. Gavin consequently built strong ties to American corporations and individuals eager to help with rescue efforts, a decision that would help the ambassador accomplish American objectives as Mexico slowly rebuilt in the months following the earthquake. Several days after the earthquake, facing global pressure from the United States and Europe, criticism from the international press, and dissent from own citizens, De la Madrid relented, accepting small packages of government-to-government relief aid from Italy, Spain, Japan and Nicaragua. On September 25th, President Reagan received legislative approval to take control of Ambassador Gavin's earthquake fund. Stating "Todos somos Americanos," President Reagan dispatched his wife to Mexico City to present the Mexican government with a check for one million dollars. By early October, the PRI had accepted $25 million more in relief assistance from AID. Reagan's actions had taken advantage of an opportunity to improve economic relations with Mexico, but thousands of Mexican citizens still lacked shelter, water, and food and the Mexican government remained largely unresponsive.

Lacking the support of federal and local officials, the residents of Mexico City's barrios took matters into their own hands, forming their own structures to carry out relief and rescue operations. Students from the National Autonomist University of Mexico, one

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of the nation's largest public colleges, responded to the earthquake quickly and effectively. One day after the disaster, students divided into 852 rescue brigades, using shovels and hacksaws to free victims buried in the wreckage. Working around the clock, young people from all over the city became *brigadistas*, intent on providing relief wherever public officials did not. White collar workers and businessmen joined in, digging out their trapped comrades, even though many confessed that they "had no idea how to handle a shovel and a pick, I was overjoyed to finding a little girl still alive." In the *barrio* of Juarez, gang members "responded to this tragic situation with tremendous human warmth" joining police officers, soldiers and doctors, pulling earthquake victims out of dangerously damaged high-rise buildings and putting "their despised organizations-- always rejected by society to good use." Members of the press also contributed to the rescue efforts. Mexican radio and television stations aimed to reunite separated families and inform relatives about the status of missing persons. Local radio stations broadcast 215 hours of interrupted transmission during the first days after the earthquake, replying to over 30,000 requests about the fate of lost fathers, sisters, and friends. Despite the inaction of the PRI, the disaster had united the citizens of Mexico City.

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23 Poniatowska 305.
24 Poniatowska 289.
25 Ibid 295.
In particular, Mexican journalists focused on the rescue efforts in Tepito, a barrio hit particularly hard by the earthquake. One of Mexico City's largest neighborhoods, Tepito was home to a diverse group of over 125,000 working-class Mexicans.\textsuperscript{27} Prior to the earthquake, many Tepiteños worked 20 hours or less per week in factories, preferring to spend their time with their neighbors, forming informal, but influential, community organizations. Others worked as smugglers, peddling "cheap foreign goods brought in to avoid tariffs."\textsuperscript{28} Tepiteños also enjoyed unusual living arrangements, frequently in small, self-constructed homes on plots of rented land. Journalists and city residents celebrated the spontaneous, flamboyant, and fiercely individualistic culture of Tepito, dedicating numerous articles to the art, music, and nightlife of the barrio.\textsuperscript{29}

Immediately after the earthquake, the residents of Tepito formed tightly-knit rescue brigades. Mexican journalists immediately noted the coordinated response of the Tepiteños, stating "All are in the street in solidarity. In sidewalks, improvised tents protect furniture and the limited possessions of hundreds of families. In Tepito there are cracks only in the wall, the spirit remains more solid than ever."\textsuperscript{30} The citizens of the barrio expressed pride in their thorough efforts, relating their success to the character of their neighborhood. "The victims of this area are called 'dead,' but the only 'cadavers' are

\begin{footnotes}
\item[27] Cleaver, "The Uses of An Earthquake," \textit{Midnight Notes} #9, 1988
\item[28] Ibid.
\item[30] "Tepito Nunca ha Caido," \textit{El Gallo Ilustrado} (supplement to \textit{El Día}), Domingo 6 de Octubre 1985, 4-5.
\end{footnotes}
from other areas," one young Tepiteno boasted darkly. 31 Journalists marveled at the work ethic of the residents of the barrio, proudly stating that the Tepiteños were "not satisfied with survival; they want to [live on] in the best possible way, a young local is cleaning after abstaining from food. There is a serious water shortage and people went on for six days. These thankless efforts instill some order in the chaos that is reflected in this real disaster area." 32 Confronted by the enormous challenge of surviving and rebuilding, the response of the Tepiteños served as a model for the rest of Mexico City.

The Tepiteños, however, feared that greater problems awaited them. Unable to work or pay rent, many barrio residents feared eviction, suspicious that their landlords would cast them out of their dwellings and sell the land to wealthy developers. Their concerns stemmed from the government-sponsored "renewal" of a neighboring community, Candelaria de los Patos. Tepiteños saw the inhabitants of Candelaria "swept away, scattered throughout the city; some even took refuge in Tepito. Then they saw, from the bulldozed ruins of that community, a giant housing development, whose high-rise apartments were quickly filled by members of Mexico's middle class." 33 The residents of Tepito, conscious of the fate of Candelaria, remained organized after their rescue efforts ended, preventing landlords from gaining control of their land. Mexican newspapers reported that "people...on the street, get together, talk and say 'we do not move.' The Tepiteños never move from the street for one simple reason: fear from

31 Ibid.
32 Ibid.
33 Cleaver.
eviction under the pretext of the earthquake. This may be an opportunity for landlords they have fought with for years to evict them and speculate on the land.”

By staging a "sit-in" within their own homes, the residents of Tepito fought back against landlord abuse, preventing nearly 7,000 evictions. The government, paralyzed and ineffective, was helpless, unable to move the Tepiteños from their land.

Citizens across Mexico City, sharing the same concerns as the Tepiteños, remained organized and pressed the government to protect their homes and property against the wiles of greedy developers. Less than one week after the earthquake, citizens of Tepito and Tlateleloco organized public protests against the PRI, urging the government to do more to help earthquake victims avoid eviction and rebuild their homes. Barrio residents adapted the rescue groups they had created during the first hours after the earthquake and turned them against the government. In Tepito alone, 37 new community organizations emerged in the weeks following the earthquake. These "permanent brigades," with names like "The Victims' Coordinating Council" and "Council of Residents's Organziations" and "Union of Neighbors" organized a march of over 30,000 people to the Presidential mansion, shouting the slogans "we do not care how, we need housing now," and "we're going to pitch a tent for you to live in, Mr.

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34 "Tepito Nunca ha Caído," El Gallo Ilustrado (supplement to El Día), Domingo 6 de Octubre 1985, 4-5.
35 Ibid.
37 Poniatowska 270.
President." By early October, thousands of Mexican gathered daily, demanding that all international relief aid, public and private, should be distributed to the residents of the barrios, rather than to landlords and PRI officials. "Some of the international relief will be distributed, but given the history of government corruption, who knows how much will be given out?" asked one protestors. Another cynically declared, "If the government gives the victims 10 percent; that would be a lot." The demonstrations continued for weeks, peaking in November when a group named The United Front of Earthquake Victims organized a march of more than 100,000 people on the President's home. American officials noted the strength of the protests, observing "This advanced level of organization clearly shows that they lacked the confidence in the government's intention to provide for them. Housing security remains the first priority." John Gavin added, "the most interesting social phenomenon to arise from the earthquakes has been the formal organization of previously non-unified city residents." The government's absence during the early hours of the earthquake had led to the creation of community groups, with membership in the tens of thousands, that threatened the popularity of the PRI.

38 Poniatowska 264.
42 Ibid.
The protests served their purpose, damaging the reputation of Mexican government worldwide. The international press, including The New York Times, The Guardian, and The Washington Post, reported on the demands of the barrio residents while newspapers in Mexico took sight on the PRI. Mexican newspapers lambasted the "irresponsible ruling class" of their nation, describing how "increasingly large segments of people are questioning the political and administrative honesty of the government. Tremendous challenges to our society have led to growth in civic organization and consciousness."

Additionally, opposition parties began to exploit the earthquake to challenge Mexico's political elite. The conservative PAN attacked the PRI, arguing that the government protected barrio residents from PAN-loyal landlords, leaving working class Mexicans at the mercy of PRI-friendly developers. Criticized by a variety of actors, both international and domestic, the PRI sought to rebuild its credibility among the Mexican people.

We should transform reality: The PRI's plan for reconstruction

Confronted with a whirlwind of protest from both ordinary citizens and opportunistic rivals, the PRI faced serious political consequences if it did not respond to public challenges and quickly regain the confidence of its electorate. Facing increasing

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domestic unrest and embarrassing public protest in the wake of the earthquake, President De la Madrid employed a new strategy designed to rebuild confidence in the federal government, weaken government control over state resources, and encourage foreign investment. As residents in Tepito and Tlateloco picketed the capital by the thousands, De la Madrid assuaged their fears by promising citizens and groups a role in the reconstruction efforts. In the immediate sense, local actors had triumphed, forcing the government to bow to their demands and allow barrio control over the rebuilding efforts. In the larger sense, however, the PRI's campaign to mollify Mexico City residents made common people the face of Mexico's new neoliberal economic vision. By stressing local, individual control over the rebuilding resources, De la Madrid linked private foreign investment to democracy and government decentralization to local control. At the same time, American policymakers observed De la Madrid's vision for a "new Mexico" and tacitly approved. Reagan officials stressed the importance of remaining distant from De la Madrid's strategy in order to prevent Mexican citizens from demonizing the policy.

The widespread public protests that followed the earthquake humiliated the PRI, which was already deflecting charges that the government did not do enough in the hours following the disaster. Not surprisingly, the Mexican legislature eventually responded to public pressure, drawing up legislation designed to protect tenants who had lost their homes in the barrios. On September 24, facing national scrutiny, President De la Madrid signed legislation that allowed for an amnesty period on late rent, reduced landlord abuse,
provided unemployment benefits, set up temporary housing, and promised a greater investment in the public health of the local *barrios*.\textsuperscript{45}

Eager to avoid charges that the PRI was not doing enough, De la Madrid took his campaign to the streets, praising private citizens who had organized relief brigades in the absence of the government. Government officials linked the bravery of civilian efforts to the strong character of the Mexican people, stressing how "the remarkable support of the people is shown, in participation in rescue, contributing to a civilian force. The fraternity of the people was an essential factor during the circumstances."\textsuperscript{46} In the weeks following the earthquake, De la Madrid decorated over 5,100 private citizens who participated in the initial relief efforts.\textsuperscript{47} American officials noted that the PRI made efforts to rebuild ties with local leaders, stating "government officials were, admittedly, very concerned about gaining the support of the numerous [*barrio* organizations] and their organizations and not letting the... situation get out of hand."\textsuperscript{48}

Madrid also made an effort to address the residents of Tepito who had expressed discontent with the government’s relief effort. In these addresses, De la Madrid legitimized the concerns of disaffected groups after the earthquake, hoping to regain their loyalty. "I accept your arguments. You convinced me," De la Madrid stated, adding,

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\textsuperscript{45} "Informe: Comisión Nacional de Emergencia," 28 September 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
\textsuperscript{46} Ibid.
\textsuperscript{47} "Acuerdo por el que otorgo de 'reconocimiento nacional 19 de septiembre' al 'heroism de juvental' a la 'solidaridad social' y al 'valorheroico,'" Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
\end{flushright}
"We respect your form of life, your actions to organize and your popular participation... I support the reconstruction of Morelos, Guerrero, Tepito and many others." 49 De la Madrid proceeded to add specifics, vowing to provide a "reconstruction that will facilitate dialogue between the government, the people, and social organizations... [We will work] to fix the damages with preference toward low income groups." 50 In particular, De la Madrid stressed how the government would allow local leaders to dictate the specifics of reconstruction, even though many of the barrio residents lived in low income homes. De la Madrid stated, "we should give first priority to the protection and the reconstruction of low-income homes. 50 to 60 percent of the homes of those Mexicans were the product of [self-construction] which counts an important part of society!" 51 Thus, De la Madrid linked the lifestyle of barrio residents to patriotism and offered material concessions to disaffected groups. Although the PRI was slow to deliver on these promises, the government succeeded in rebuilding over 50,000 homes in three years. 52

More specifically, De la Madrid's rhetoric connected local control of reconstruction with liberty, democracy and the values of the Mexican Revolution. In

49 "Versión estenografica de las palabras pronunciadas por el President De la Madrid, durante el acto en que vecinas de los colonias populares en en centro de la ciudad, 12 October 1985, Archivo General de la Nación, Mexico City, Mexico, galleria 3, sección 3.12.
50 "Versión estenographica de las palabras pronunciadas por el President Miguel De la Madrid Hurtado durante el reunion de Instalación de la Comisión Nacional de Reconstruction," 9 October 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
51 "Versión estenografica de las palabras pronunciadas por el Presidente Madrid al termino de la renuion de trabajo que tuve con la Comisión Especial Plaripartidista de la Camara de Diputadas," 3 October 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
doing so, the Mexican government brought local actors on board, praising their bravery by placing them within accepted, traditional structures of dissent. In speeches following the earthquake, De la Madrid promised that "the national reconstruction will be guided by the fundamental principles of Mexican society, for perfect democracy, a regimen of liberties, for social justice and the federal system," linking both the ingenuity of barrio residents and the government's willingness to cede control over reconstruction to inherently Mexican values.  

The PRI vowed to make good on its rhetoric, stating that "in all cases, we will allow permanent and vigilant participation of the barrio residents. We will capture the spirit of participation of the barrio resident, their mechanisms of co-operative living, their methods of construction." By bringing the barrio residents on board, the PRI succeeded in suppressing unrest after the government's poor response in the hours following the earthquake. American officials noted the PRI's strategy, stating, "Co-optation has been a government of Mexico response to the challenge of the [barrio residents]. [Resident] requests appear to succeed when limited to specific housing requests and fail when they begin to question broader governmental authority."  

The PRI, it seemed, was giving Mexico City residents just enough to remain in power.

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53 “Versión estenográfica de las palabras pronunciadas por el Presidente Madrid al término de la reunión de trabajo que tuvo con la Comisión Especial Plaripartidista de la Camara de Diputadas,” 3 October 1985, Archivo General de la Nación, Mexico City, Mexico, Gallería 3, sección 3.12.  
54 “Versión estenográfica de las palabras pronunciadas por el Presidente Miguel De la Madrid, durante el acto popular que tuvo lugar esta mañana,” 14 October 1985, Archivo General de la Nación, Mexico City, Mexico, Gallería 3, sección 3.12.  
While negotiation with barrio residents served the immediate purpose of silencing discontent in the weeks following the earthquake, it also served a much larger function. The PRI's decision to defer to private, local groups during the reconstruction effort symbolized a break with the past. In the months that followed the disaster, PRI officials emphasized values such as decentralized control of resources, privatization, and foreign investment as the correct paths to follow. De la Madrid sought to rebuild Mexico in a neoliberal image and used the earthquake of 1985 as an opening to introduce a new economic strategy that de-emphasized the role of the state while simultaneously preserving the PRI's grip upon political power. The barrio residents thus served as a means to a larger, neoliberal end. Their desire for local control over reconstruction allowed the PRI to press a more ambitious platform of economic goals. In De la Madrid's own words, "Reconstruction implies renovation. Instead of trying to return to the point from where we left, we should transform reality to benefit mankind and further national development." \(^{56}\)

De la Madrid first showed his hand in an interview with NBC News only four days after the earthquake, stressing a greater need for foreign investment. When asked to discuss his plans for reconstruction, the Mexican president replied, "As you know, Mexico has been in a recession for three years. This event will plant new economic seeds." In the same interview, De la Madrid also focused on Mexico's future economic plans stating that Mexico intended to comply with its [debt] obligation and would allow

\(^{56}\) Comisión Nacional de Reconstruction. "Bases para el establecimiento del Sistema Nacional de
foreign countries larger access to Mexican markets. On the same day, De la Madrid further outlined his goals during an interview with a Japanese journalist. De la Madrid stated that Mexico needed funds to develop and pressed for further economic collaboration between Mexico and Japan. “The day of the earthquake, he stated, “I was going to... inaugurate two important industrial plants where there is important Japanese investment.”

The Mexican government soon connected its drive for foreign investment to its problems with barrio residents. In the same speech where De la Madrid stressed the "priority of reconstructing low-income homes" and the "fundamental principles of... perfect democracy," the Mexican president also remarked, “we need foreign investment. We should revise our thinking about the issue of economics with other countries.” In particular, De la Madrid emphasized rolling back state monopolies and introducing greater investment from the private sector. Using the language of democracy, free choice, and local control, De la Madrid stressed that “one of the most popular parts of the reconstruction [among barrio residents] is decentralization.”

By the end of October, the

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58 "Versión esterografica de la entrevista conciedida por el Presidente Miguel De la Madrid a los señores Kensakin Shirai, de deputy managing editor y Chichiro Lto., del Latin American correspondent," 23 September 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
59 Versión estenografica de las palabras pronunciadas por el Presidente Madrid al termino de la reuniun de trabajo que tuve con la Comisión Especial Plaripartidista de la Camara de Diputadas," 3 October 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
60 "Versión estenografica de las palabras pronunciadas por el Presidente Miguel De la Madrid al termino de la reunion de trabajo en la residenica 'Lazaro Cardenas' en Los Pinos," 10 October 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
Mexican government had firmly welded their desire for foreign investment to the demands for local control made by barrio residents. Francisco Zepeda Romero, a high ranking PRI official, stated:

We affirm that the rebuilding is only possible through the practice of dialogue where people tell us their needs and problems and also propose better methods of organization and work... the government of Mexico protects the political, economic, and cultural rights established in the Constitution that recognize popular aspirations such as revolutionary nationalism, democratization, a moral policy of reconstruction, decentralization of the federal government, employment, and fighting inflation.61

Thus, Mexican officials announced their plans to decentralize federal monopolies and encourage foreign capital, all the while merging the protests of angry barrio residents into a neoliberal economic vision.

The Comisión

In October, the PRI formalized their plans for a future, privatized Mexico by unveiling its plans for reconstruction. President De la Madrid created the Comisión Nacional de Reconstrucción, a new government organization that oversaw the rebuilding of earthquake-stricken areas. The Comisión served as a vehicle for re-establishing PRI's rapport with the citizens of Mexico City and furthering the party's goals for foreign investment. PRI officials stressed that the Comisión would serve as a "democratic mechanism" that would "permit all to achieve their objectives" in order to create

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61 Secretary de Gobernación, Dirección General de información, "Boletín Información para prensa, radio, y televisión, Mexico DF," 31 October 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
"progress for the country." In practice, the Comisión served as a formal means to herd all local reconstruction demands into a formal government bureaucracy that promoted decentralization and foreign investment. The structure of the Comisión was representative of the PRI's goals. Through the Comisión, the PRI emphasized dialogue between the President, the state government, a cabinet of government experts and professionals, private non-state organizations, managerial supervisors, and local committees for "social input." These local committees consisted of barrio residents who won a role, albeit a small one in the PRI's larger plans.

As a result, the Comisión directed much of its rhetoric towards residents of Mexico City who participated in the rescue efforts, stressing that the mobilization of social groups in the recent September disaster was evidence of the capability of the public citizens to organize and demonstrate social solidarity. Overall, the Comisión emphasized that they would defer to local actors, once again embracing a nationalist discourse that valued "the active and permanent participation of the society," "a strong and democratic state" and "the conscience and responsibility of a great majority of [the] people." Thus, the Comisión's stated priorities directly addressed local residents by vowing to "organize events and conferences for discussion, establish permanent structures for public participation, formal and informal, acquire the support of local

63 Ibid.
64 Ibid.
65 Ibid.
people, and promote protections of the corporation and the citizen. Promising that the reconstruction should "come from all Mexicans, individuals, groups, and ideas," President De la Madrid promised to create an inclusive "democratic plan" that would build a stronger Mexico, brick by brick.

The PRI made some concessions to local groups. The government appropriated 250 hectares of land, allowing over 150,000 homeless citizens to take up temporary shelter. Additionally, the government kept its promise, allowing barrio residents to rebuild on their own land, even though many landlords wanted to sell property to wealthier developers. Overall, the government assisted in the rebuilding of 50,000 homes in three years, an impressive figure, but one that did not satisfy the activist leaders of the barrios. In the months that followed the creation of the Comisión, afflicted citizens complained publicly about the poor quality of supplies in the homeless shelters, informing the international press about frequent water shortages. The PRI rebuilt homes in the earthquake zones at an agonizingly slow place, leaving many without a place to stay for months. When the government did construct new dwellings, it often tried to sell houses back to barrio residents at exorbitant prices, often in completely different areas of the city.

American officials noted the slow progress of the government's reconstruction efforts, stating, "very little has been done so far. This process has been slow and

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66 Ibid.
inefficient. For six months after the quake, no government reconstruction was visible.”

A year after the earthquake, Ambassador Gavin remained shocked at the lack of progress in reconstruction, remarking, "The low esteem in which the... the poor mass of Mexican citizenry hold the government has thus been confirmed by the latter's failure to make significant progress in housing.” While the government seemed to capitulate to public dissent during the weeks after the earthquake, the PRI deferred to local residents just enough to quiet protests and allow President De la Madrid to press his economic goals.

The actual focus of the Comisión, however, was to encourage foreign investment and a smaller federal government. While the PRI included social participation as one of its major priorities throughout the reconstruction efforts, the party also emphasized neoliberal economic goals. In particular, the Comisión outlined the government's "duties" during reconstruction. Although the PRI carefully included "Coordinat[ing] action with the public to learn the priorities of reconstruction," the government seemed to have its own priorities, including "decentraliz[ing] national life, allow[ing] the public sector to include the private and social sectors in reconstruction," and "promot[ing] international investment for reconstruction.”

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70 Busby to Shultz, October 6, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Mexico,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
In the months following the earthquake, the PRI used a variety of tactics to carry out the intentions of the Comisión and attract foreign investment to Mexico City. Immediately after the disaster, the PRI recruited AT&T to fix Mexico City’s broken TELMEX phone system. The Mexican government paid AT&T millions of dollars to repair over six hundred phone lines in the capital.\(^{72}\) AT&T even proposed a $500 million plan to outfit all of Mexico City with fiber-optic cable, but the PRI was reluctant to agree to such ambitious terms.\(^{73}\) Additionally, President De la Madrid established a fund for private donations for rebuilding. While the PRI initially used the fund for relief, the money ultimately was contributed to the reconstruction efforts. President De la Madrid served as both executive and salesmen in the late months of 1985, touting the earthquake fund as a means for easy investment in the "new" Mexico City. "The system works this way," explained Madrid in an interview with foreign journalists: "material is donated in cash, from foreigners and Mexicans, and a fund for reconstruction will be created."\(^{74}\) In October and November, De la Madrid met with wealthy businessmen from Mexico, the United States, Germany and Saudi Arabia, seeking donations while confidently espousing, "private banks and international financial organizations will have the will and

\(^{72}\) Shultz to Gavin, September 27, 1985, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Mexico,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.


\(^{74}\) “Versión esterografica de la entrevista conciedida por el Presidente Miguel De la Madrid a los señores Kensakin Shirai , de deputy managing editor y Chichiro Lto., del Latin American correspondent. 23 September 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
the capacity to work with us. Overall, De la Madrid's efforts attracted a considerable amount of foreign investment to Mexico City. The reconstruction fund raised $450 million dollars throughout 1985 and 1986, the majority of the money coming from Western Europe, the United States, and Japan.

De la Madrid also sought and received funds from international organizations. In the months following the earthquake, Mexico received a $300 million dollar loan from the International Monetary Fund, an additional $250 million dollars from the World Bank, and $100 million dollars from the Inter-American bank, for the purpose of reconstruction. Additionally, the PRI's slow response to the earthquake forced private international organizations to pick up the costs of relief and rescue efforts. The American Red Cross, eager to continue its close ties with the Reagan administration, maintained a high profile in Mexico by inviting the First Lady to tour its relief camps as the international press watched. The PRI’s initial reluctance to accept a large package of American relief, however, meant that the Red Cross could not count on sizeable public grants from AID. As a result, the Red Cross spent over one billion dollars providing assistance to the homeless barrio residents whom the Mexican government neglected during and after the earthquake. Faced with providing aid to both Mexico and famine-

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75 Ibid; Miguel De la Madrid Hurtado, Mexico DF, 29 September 1985, Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
78 Ibid.
ravaged Ethiopia during 1985, the Red Cross suffered a budgetary crisis and nearly went bankrupt. President Reagan gave a public radio address on behalf of the Red Cross in November of 1985, stating “the Red Cross is always there for us; now we need to be there for them. They are quite simply running out of funds. It's now time for all of us to volunteer for the volunteers, to give to those who've given so much of themselves. Please contact the Red Cross chapter nearest you and ask what you can do to give them a hand.”

The PRI used the reconstruction efforts to create a new hub of private-public collaboration. President De la Madrid hailed the goals of the Comisión, stressing how "decentralization is one of the principles of action that will comprise this new development. Decentralization...reduces the power of the government and reduces dependency on the Federation. In this sense, it builds a democratic character." Thus, De la Madrid connected notions of "social participation" with privatization and a smaller federal government, using the protests of barrio residents for his own ends. As local citizens dealt with an interminably slow process of rebuilding, the PRI explored new horizons, using the earthquake to construct a "new Mexico." Unfortunately, De la Madrid's reconstructed state neglected the concerns of ordinary Mexicans, many of whom served as the justification for the PRI's new economic policy.

80 Comisión Nacional de Reconstrucción, "Bases para el establecimiento del Sistema de Protección Civil. Archivo General de la Nación, Mexico City, Mexico, Galleria 3, sección 3.12.
American Involvement

After the earthquake, the Reagan administration watched the PRI's neoliberal planning carefully, aiding the process in direct and indirect ways. In 1985 and 1986, Reagan officials quietly assisted President De la Madrid in executing his reconstruction plan and introducing more foreign investment to Mexico. In the words of M. Peter McPherson, “we provided assistance, but the real key decisions were Mexican decisions.”

Although the United States was not able to make the large, initial commitment to Mexican earthquake relief that it desired, Reagan officials worked to overcome financial roadblocks by encouraging private sector involvement in reconstruction and by extending loans to the cash-strapped Mexican government.

The Reagan administration's goals for Mexico ran parallel to De la Madrid's. During Reagan's first term, the State Department commissioned a study of U.S.-Mexican relations, in the hope of better delineating American objectives. The study concluded that "support of private investment in Mexico" should be a priority for American officials, who were urged to lobby for fewer "restrictions on direct foreign investments applied by the Mexican government." Fortunately, PRI leaders possessed the same goals. The Reagan administration knew of President De la Madrid's neoliberal intentions as early as May 1984, when the Mexican president visited the United States. In a private meeting with Treasury Secretary Don Regan, De la Madrid "demonstrated a sophisticated

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81 Interview with M. Peter McPherson, October 4 2009.
awareness of the financial realities” facing Mexico. Reagan officials pressed De la Madrid to pursue a "more open and favorable environment for American investors.” At the same time, the CIA prepared a biography of De la Madrid, emphasizing his technocratic background. The biography, entitled "Miguel De la Madrid: Man of the System", discussed the Mexican president's American education, career in economics, and affinity for the World Bank.

After the earthquake occurred, the Reagan administration worked behind the scenes, helping President De la Madrid promote foreign investment in Mexico. One week after the disaster, Ambassador Gavin and Secretary Shultz discussed the economic ramifications of the destruction. Stressing "the fall in international petroleum prices, the rate of inflation, troubles with the IMF, and a slowdown in the U.S. economy," the two informed officials at the Federal Reserve that the next few weeks could be critical because the peso-dollar exchange rate had been highly volatile throughout 1985. As a result, American officials guided the PRI toward an economic policy that would stabilize Mexico and protect American investments.

84 “Mexican President's State Visit,” May 14, 1984, Latin American Affairs Directorate Records, RRPL.
85 “Miguel De la Madrid of Mexico: Man of the System,” Latin American Affairs Directorate Records, RRPL.
One week after the earthquake, Gavin met with officials from AT&T, helping the company draw up plans to assist the Mexican government in reconstructing the broken TELMEX phone system. Gavin served as a middleman, helping to broker the deal between AT&T and the Mexican government. The ambassador stressed that "the telecommunications market in Mexico is highly competitive and there is some indication that the U.S. and other firms are using the earthquake as an opportunity to market their equipment and sales. It is estimated that two major markets have emerged as a result of earthquake damage." Gavin worked closely with AT&T, which was "frantically trying... to compete against Ericsson and the Japanese" when the phone company won a major contract to reconstruct phone lines after the earthquake.

In late September, Reagan aide Elliot Abrams endorsed a "major program of bilateral and multilateral assistance for Mexico." Although Abrams emphasized the need to promote "stability in Mexico," he also stressed that the "government of Mexico... will be leery of outside 'interference'". Abrams later mused about how he urged Washington to "engage the World Bank in a leadership role." In a letter to Donald Regan, he wrote, "A special reconstruction fund by the Bank would provide capital to be used by Mexico in carrying out its plan. The U.S. government would be a major

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90 Elliot Abrams, email message to A. Poster, June 30 2009.
contributor to the Bank's special fund. We should seek to involve the U.S. and Mexican private sectors so that we do not further concentrate state control of the Mexican economy. Abrams' plan allowed the United States to prop up the Mexican economy and support the PRI's program of decentralization without raising fears about American imperialism in Mexico.

At the same time, Mexican officials notified the State Department that Mexico "was serious about decentralization and would implement it quickly. The principal objects of decentralization would be [Mexico's state-owned] companies." As a result, AID director M. Peter McPherson pressed Ambassador Gavin and State Department officials to lobby for a more active American role in Mexican reconstruction. McPherson lobbied policymakers to encourage international contributions to Mexican reconstruction in order to help offset the burden on Mexico's already strained economy. Ambassador Gavin recommended support for small and medium-sized private businesses damaged in the earthquake, and envisioned an aid package of $100 million.

President Reagan approved Abrams' proposal and sought the help of both Gavin and the Agency for International Development to carry out the implementation of the aid package. In a letter to President De la Madrid, President Reagan mentioned that "it has occurred to my government that the World Bank could help co-ordinate bilateral reconstruction efforts through a special fund. Additionally, the government of the United States would undertake to make substantial contributions." Thus, President Reagan decided to contribute money directly to the Mexican government as well as provide funds for reconstruction through the World Bank. Ambassador Gavin and AID received the authority to negotiate specifics directly with top Mexican officials. The new Secretary of the Treasury, James Baker, then sought Congressional support for the loans.

While Baker’s request was well-received in the Senate, House Speaker Tip O’Neill criticized the Secretary’s proposal and suggested cutting the U.S. contribution to the World Bank in order to reduce the federal deficit. Representative Fernand St. Germain (D-RI) remarked, “I ask you, what worthy domestic programs will have to be cut in order to balance the budget and support the administration's newest International Monetary Fund-World Bank funding request?” Although House Democrats succeeded in cutting Washington’s total contributions to the World Bank by $50 million, the Reagan

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administration still provided the organization with $700 million in 1986 and the Mexican government received the U.S.-supported loans it desired.99

In sum, President De la Madrid received a $300 million loan from the World Bank, $600 million from the U.S.-based Commodity Credit Corporation, and $500 million from the Export-Import bank. Additionally, Baker pressed the private sector for additional funds, asking 60 of the world’s largest banks to invest $20 billion in Mexico and other “heavily indebted countries.”100 Baker suggested that the investments could open “the countries to further investment” and lead to the “sale of nationalized industries.”101 Although the Mexican economy did not immediately recover, the PRI stayed in power and De la Madrid used investments from the World Bank, the IMF, and private firms to justify implementing neoliberal policies more rapidly during the remainder of his term.

While the United States only contributed $25 million to the initial relief efforts, American officials eventually made a substantial commitment to Mexican reconstruction efforts through skillful lobbying and economic sleight-of-hand. Prior to 1985, the Reagan administration understood President De la Madrid's neoliberal goals and encouraged the Mexican president to stay on course. After the earthquake, American policymakers aided American corporations in winning contracts with the Mexican government. In order to stabilize the Mexican economy and help the PRI continue

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decentralization, American officials gave Mexico an ambitious aid package in addition to funneling hundreds of millions of dollars through the World Bank. Although the PRI managed Mexico's shift to a neoliberal economy, the United States was more than just a spectator. Mindful of Mexican fears about imperialism, American policymakers worked behind the scenes to help the PRI carry out its ambitious economic goals.

Epilogue

The Mexican earthquake of 1985 left thousands dead and tens of thousands homeless. Crippled by a lack of communication and afraid of showing dependence on foreign aid, the Mexican government responded slowly and ineffectively to the disaster. As a result, the citizens of the *barrios* performed relief and rescue efforts themselves, organizing into teams of courageous volunteers. Local citizens remained organized when *barrio* residents feared eviction and permanent loss of their homes. The PRI, discredited by its lack of response to the Mexican people, worked to rebuild rapport with the *barrios* by promising local people a voice in the reconstruction effort. The Mexican government's overtures, however, were largely superficial and designed to guide *barrio* residents back into the established political process. After regaining the support of local people, the PRI connected democratic *barrio* participation with a larger program that emphasized government decentralization and foreign investment. American officials, mindful of building trade ties to Mexico, quietly helped the Mexican government achieve

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101 Sally Kelley to John Sheehan, October 30, 1985, DI-002, RRPL.
its neoliberal vision through the use of the World Bank and government-to-government aid. Thus, the Mexican earthquake served as a means for the PRI to rebuild Mexico in a neoliberal image, re-establish order over the Mexican people, and build economic ties with the United States. Disaster relief consequently served as a catalyst to larger global changes during the end of the Cold War.

After the earthquake, the PRI aggressively privatized government monopolies and actively pursued foreign investment. In 1988, Mexican president and American-educated economist Carlos Salinas de Gortari fired striking airline workers and sold state-owned Aeromexico to private investors. In 1990, Salinas sold TELMEX, which ended up as a private monopoly, owned by billionaire Carlos Slim. In 1991, Banamex, the Mexican national bank, became a subsidiary of Citibank. The Mexican earthquake aided the PRI in its neoliberal quest, providing an opening for government officials to rebuild in a manner that elevated the private sector to a predominant economic position.

Although the PRI succeeded in dismantling much of the Mexican state, it never rebuilt confidence with the Mexican people. Elected in 1982 with more than eighty percent of the popular vote, Miguel De la Madrid was the last PRI president to enjoy a large popular mandate. The PRI never possessed a comfortable majority after 1988. The earthquake, a key factor in President De la Madrid's unpopularity, thus catalyzed the

demise of the PRI, despite the party's efforts to respond to the protests after the
catastrophe. In 1988, President Carlos Salinas de Gortari scored a razor-thin victory over
Cuauhtemoc Cardenas, amid charges of election fraud.\textsuperscript{105} Although Salinas succeeded in
passing power to technocrat Ernesto Zedillo in 1994, economic troubles, charges of
corruption, and the embarrassment of the Zapatista uprising further weakened the PRI.
Audiences around the world watched as Subcomandante Marcos and his black-masked
comrades denounced the PRI's rural privatization plans, using every possible opportunity
to win international publicity and humiliate the Mexican government. In 1995, the PRI
responded quickly and efficiently to an earthquake in the city of Colima, vowing to
address the needs of displaced people before discussing reconstruction. Observers of the
quake noted that “the PRI has paid a high political price in the past for ineffective disaster
response or prevention efforts.”\textsuperscript{106} But the PRI did not learn its lesson and ignored the
concerns of the poor once media coverage of the earthquake ceased. Months later,
citizens complained that, “most of the affected dwellings have not been reconstructed.
Many have been partially repaired, but others continue to be abandoned. In contrast, most
of the damaged hotels, as well as other tourist attractions, have been reconstructed.”\textsuperscript{107} In
2000, the Mexican people, eager for a change, elected Vicente Fox from the rival center-
right PAN party. While a daunting set of problems still faced Mexico, the PRI's iron grip

\textsuperscript{107} Ibid.
on power ended, perhaps appropriately, with the turn of century. The 1985 Mexico City earthquake contributed to the growing discontent with Mexico's ruling party, as barrio residents forged a reluctant partnership with wily government officials. Although the PRI exploited the earthquake to construct a "new," decentralized Mexico, officials from the nation's ruling party failed to recognize that reconstructing their state in a neoliberal image demanded a sacrifice—themselves.
Chapter Four


In early 1987, six months after a powerful earthquake struck El Salvador, Newsweek journalist Robert Rivard visited the capital of San Salvador, and noted that "business was booming. Every other car seemed to be a new Toyota, a new Jeep, a new BMW. The fancy stores on the leafy north side offered luxury items unknown a few years back: Sony televisions, the latest compact-disc player, even pink Reeboks." The tiny Latin American nation, in the midst of a civil war, had seemingly become a haven for foreign-made consumer goods. Although leftist guerrillas and right-wing politicians were besieging Jose Napoleon Duarte’s centrist administration, the economy of El Salvador held strong, even after a major national disaster. Rivard succinctly noted the reason for the nation's economic upswing: "The change was U.S. aid."1

In October 1986, an earthquake rocked El Salvador. Although it was Central America's tiniest state, the nation held particular significance to American officials, who frequently used economic and military clout to interfere with Central American politics throughout the first half of the twentieth century. U.S. Marines occupied Nicaragua from 1909-1933, leaving only after a lack of funds necessitated the implementation of Franklin Roosevelt’s depression-era Good Neighbor Policy. The U.S. government, in
collaboration with United Fruit Company, influenced affairs in neighboring Honduras for decades; the nation was invaded by U.S. soldiers six times between 1900-1925. It is not surprising that El Salvador also served as a military and economic ally to the United States. From the 1930s to the 1970s, military presidents established governments that protected the rights of foreign coffee growers. After the triumph of the Sandinistas in Nicaragua in 1979, Reagan officials believed a close relationship with El Salvador was essential to negating Nicaraguan communist influence in Central America. The Reagan administration found an ally in Salvadoran president Jose Napoleon Duarte, who had seized power in a 1979 coup. Duarte, a Notre Dame-educated engineer who turned to politics, represented the Reagan administration's best hope for a communist-free Latin America. One year the coup, however, the leftist Farabundo Martí Liberation Front (FMLN) organized a rebellion against the government, and twelve years of civil war ensued, resulting in the deaths of over 75,000 Salvadorans. The Salvadoran military, which received training from the United States, resorted to violently oppressive tactics, forming death squads responsible for the murder of civilians, including the assassination of archbishop Óscar Romero in 1980 and the massacre of more than 700 people in the village of El Mozote in 1981. Duarte insisted that his military was not entirely under his

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3 Duarte, Jose Napoleon, Duarte: My Story; with Diana Page ; with a preface by Theodore M. Hesburgh, New York : Putnam, 1986.
control and emphasized that he was an American-educated moderate leader committed to reform, development, and democracy. Reagan officials stressed that Duarte, despite his problems, was a dedicated anti-communist leader who lacked the political baggage of a dictatorial caudillo. As a result, Reagan policymakers sent Duarte more than $500 million in economic and military aid throughout the early 1980s.

The earthquake of 1986, however, threatened the stability of Duarte's government. Nervous Reagan officials watched as the FMLN and the rightist National Republican Alliance (ARENA) party exploited the earthquake to win popular support. Fearing the loss of an important regional ally, the Reagan administration provided El Salvador with a large package of disaster assistance in order to bolster the embattled Duarte government. By 1987, Duarte had received over $155 million in earthquake relief and reconstruction funds. Reagan officials employed earthquake aid to restore El Salvador's GDP to pre-catastrophe levels-- a step never before taken by American policymakers after a major international disaster.

Thus, Salvadoran earthquake relief served two interconnected purposes. First, Reagan officials used the disaster to provide economic assistance to the Duarte government, which was withering against challenges from both the right and left. To the Reagan administration, El Salvador represented Central America's best and brightest hope in the fight against communism-- a hope which an earthquake threatened to destroy. Second, the Reagan administration's disaster relief policy aimed to create greater links between El Salvador and foreign commerce. As in Mexico City, Agency for
International Development (AID) officials worked with local leaders to provide contracts for foreign businessmen. American banks helped finance small loans to homeless Salvadorans seeking to rebuild new dwellings. American, German, Japanese, and Taiwanese-financed businesses emerged from the rubble, taking the place of shops and stores destroyed by the earthquake. Although the decision to fund El Salvador with a generous package of disaster relief certainly was rooted in concerns about security, the process of rebuilding proved profitable for business leaders in the United States and beyond.

This chapter has been influenced by two studies. The first, by diplomatic historian Walter LaFeber, highlights American foreign policy in 20th century Central America. LaFeber argues that American policymakers and businessmen ruthlessly exploited Central American nations by imposing dictatorial leaders and creating economic conditions that encouraged dependency. The Cold War simply reinforced Washington’s attitudes about Central America, as leftist insurgencies provided policymakers with a handy justification to continue intervening in Central American politics, especially during the Reagan administration. My study also suggests a pattern of continuity by demonstrating how the Reagan administration’s economic and security motives in El Salvador were closely linked. As mentioned in chapter one, Burton Kaufman’s Trade and Aid illustrates how large packages of aid began to complement U.S.-Latin American trade agreements beginning in the 1950s. This chapter
demonstrates the close relationship between trade and aid three decades later, as Reagan officials spent hundreds of millions of dollars, in part, to encourage foreign investment in El Salvador.  

_U.S. Motives in El Salvador: A Story of Continuity_

El Salvador served as a hub for American anti-communist interests since the early 1950s. Beginning with the Eisenhower administration, policymakers used the Central American nation as a focus for American benevolence, hoping to promote its military leaders. In particular, American policymakers gave aid to El Salvador not because of communist threats within the nation, but because of the threat of communism in surrounding countries. Thus, the United States viewed El Salvador and its American-friendly, foreign investment-friendly presidents as a “home base” for American ideals and sought to strengthen the mandate of Salvadoran leaders through the distribution of generous aid packages. In the words of one policymaker, “a repetition of what happened in Cuba could happen overnight.” In spite of the general loyalty of Salvadoran leaders and the small size of communist groups within the nation’s borders, Eisenhower’s fear of the leftist Jacobo Arbenz government (1950-1954) in Guatemala meant that El Salvador had to be bolstered by American dollars. Thus, American policymakers promoted loans

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5 LaFeber.  
6 Kaufman.  
7 Confidential U.S. State Department Central Files: El Salvador, Internal Affairs and Foreign Affairs, 1950-1959, American Foreign Policy Center (AFPC), Ruston, LA.
and developmental aid to El Salvador while warning of the dangers of “promoting democracy too quickly”.\textsuperscript{9} A military aid deal with Salvadoran leaders was cemented in early 1957, shortly after the 1956 assassination of Anastasio Somoza Garcia, dictator of Nicaragua, and America’s other major ally in Central America. During the 1950s, the United States loaned El Salvador tens of millions of dollars to renovate its airport, because the Eisenhower administration wished to have a place where American military planes could land in case of a Central American emergency.\textsuperscript{10} In 1955, El Salvador suffered a corn shortage that left many farmers starving. Citing a fear that communist insurgents might try to incite unrest in the countryside, the United States allowed El Salvador to purchase American corn at low prices. Thus, American policymakers practiced an early form of politically motivated famine relief. Eisenhower officials, however, required the Salvadoran government to purchase the corn, rather than giving it away for free. Regardless, this unprecedented step foreshadowed later policy developments. From 1956 to 1960, the American embassy discussed and promoted the acquisition of American loans to develop and improve peasant life in the Salvadoran countryside as a means of staving off communism.

\textsuperscript{8} Confidential U.S. State Department Central Files: El Salvador, Internal Affairs and Foreign Affairs, 1950-1959, AFPC.
\textsuperscript{9} Confidential U.S. State Department Central Files: El Salvador, Internal Affairs and Foreign Affairs, 1950-1959, AFPC.
\textsuperscript{10} Confidential U.S. State Department Central Files: El Salvador, Internal Affairs and Foreign Affairs, 1950-1959, AFPC.
The close ties between San Salvador and Washington reaped economic benefits for American businesses as well.\textsuperscript{11} When American policymakers supported El Salvador with military aid, the Salvadoran government responded by keeping coffee prices low and allowing increased foreign investment from American companies. Eisenhower diplomats heeded the demands of American coffee executives, pressing Salvadoran officials to diminish trade barriers as much as possible. Meanwhile, the Salvadoran government sought to consolidate political power, providing openings for crafty American businessmen. Salvadoran leaders even contracted a Chicago firm to help draft a constitution and structure a provisional government for the regime.\textsuperscript{12}

In 1979, however, a \textit{junta} of civilians and reform-minded military officers overthrew El Salvador's conservative government. Although their ascendency marked a shift to the left, the new Salvadoran leaders encouraged close ties with Washington. At the same time, the 1979 overthrow of Anastasio Somoza Debayle in Nicaragua made Central America and El Salvador once again a security priority during the 1980s. Stripped of one traditional ally in Nicaragua, the United States wished to prevent instability in El Salvador. The leader of El Salvador's Christian Democratic Party, Jose Napoleon Duarte, officially took the reigns of power in 1984, promising both political reform and a dedication to pursue closer trade relations with the United States. Although Duarte's government held the potential for stable democracy in El Salvador, the new

\textsuperscript{11} Confidential U.S. State Department Central Files: El Salvador, Internal Affairs and Foreign Affairs, 1950-1959, AFPC.
president faced considerable political opposition from both the right and the left. On the left, FMLN, espoused Marxist ideals and conducted a campaign of guerrilla warfare throughout the country. On the right, the conservative ARENA party opposed Duarte in San Salvador, while paramilitaries murdered suspected leftists in the countryside. Additionally, Reagan officials feared the influence of the Sandinistas in neighboring Nicaragua. American officials viewed the success of Duarte as crucial to preserving strong trade relations with El Salvador and maintaining an anti-communist advantage in Central America.

Beginning in 1981, the Reagan administration pressed Congress to approve large packages of military and development aid for the Duarte government. The departing Carter administration had provided $5 million in assistance to El Salvador in 1981, but Reagan upped the amount of aid to $35.5 million immediately after taking office. Later in the year, Reagan officials provided packages of $44.9 million in economic aid and $91.1 million in developmental aid to the embattled Central American nation. In 1982, the President increased Washington's financial commitment, providing more than $100 million in military aid and more than $100 million in development aid. Reagan officials, however, explicitly stated they would suspend assistance if President Duarte were overthrown by either rightist or leftist opposition.

12 Confidential U.S. State Department Central Files: El Salvador, Internal Affairs and Foreign Affairs, 1950-1959, AFPC.
14 Ibid.
The reasons for Washington's support for Duarte were varied. Most importantly, American policymakers stressed El Salvador's role in fighting communism in Latin America. High-level Reagan officials bemoaned former President Carter's lack of commitment to Central America, emphasizing the dangers of "Cuban and Soviet objectives to strengthen the revolutionary government in Nicaragua and support insurgencies in El Salvador, Honduras, and Costa Rica."\(^\text{15}\) In order to counter potential Soviet gains in Central America, policymakers advocated "deploying U.S. assets to the region on an extended basis, and expanding intelligence and covert programs."\(^\text{16}\) President Duarte quickly emerged as Washington's most reliable ally in Central America. Throughout the 1980s, El Salvador would serve as a home for Nicaraguan dissidents and exiles, exerting constant pressure on the Sandinistas. Reagan, impressed with Duarte's work, wrote to the Salvadoran president in 1986, expressing his pleasure that both leaders were "determined that those who struggle for democracy in Nicaragua will receive the support that they need to persevere." Reagan vowed that Duarte's "support would not be forgotten."\(^\text{17}\)

El Salvador represented the focal point of the Reagan administration's new strategy in Central America. National Security Council officials emphasized how "from the time the Reagan administration took office, it has emphasized El Salvador as a test case in foreign policy that is designed to demonstrate to Cuba and the Soviet Union that

\(^\text{15}\) "US Military Aid to El Salvador and Honduras," Oliver L. North Files, Box 1, Ronald Reagan Presidential Library (RRPL).
\(^\text{16}\) Ibid.

160
the United States will block their attempts to subvert Latin American governments.\textsuperscript{18} Reagan officials attempted to create a Latin American coalition aimed at discouraging the spread of communism within El Salvador. In particular, President Reagan sought strategic assistance from Mexican President Miguel de la Madrid, asking the Mexican government to assist El Salvador in return for economic aid. In 1984, Reagan met with de la Madrid, tying Washington's packages of Mexican economic assistance to political support for El Salvador. Reagan began the conversation by emphasizing how the United States provided two-thirds of all Mexican economic assistance. Reagan emphasized how "there is a democratic revolution underway in Central America, but the Sandinistas are now training guerrillas from El Salvador. Nicaragua is now an armed camp with 11,000 Cuban and Soviet bloc personnel there. Can we work together?\textsuperscript{19}

Reagan officials relied on American capital to provide El Salvador with a constant stream of aid aimed at helping Duarte "develop a long-term balanced program that would best meet [Salvadoran] objectives of winning the war, restoring the peace, and moving the economy forward in the shortest time possible.\textsuperscript{20}" In 1984, Reagan officials proposed increasing assistance to El Salvador by at least $30 million per year until the end of the 1980s. The amount of assistance provided to El Salvador continued to increase in the years leading up to the 1986 earthquake, exceeding $500 million annually.

\textsuperscript{17} Reagan to Duarte, 20 March 1986, Oliver L. North Files, Box 1, RRPL. Emphasis is Reagan's.
\textsuperscript{18} \textit{US Military Aid to El Salvador and Honduras}, Oliver L. North Files, Box 1, RRPL.
\textsuperscript{19} \textit{Disaster Case Report: El Salvador RG 286, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders "El Salvador," FORGN DSTR ASST PROJ File, 1983-1989, NACP.}
\textsuperscript{20} \textit{US Military Aid to El Salvador and Honduras}, Oliver L. North Files, Box 1, RRPL.
AID played a key role in the distribution of assistance to El Salvador. In 1984, Reagan officials noted that the civilian nature of AID allowed the Reagan administration to provide "quick financial assistance [in El Salvador]," thus allowing "the United States to encourage needed macroeconomic and political policy reforms." While Democratic leaders frowned upon large packages of military assistance to El Salvador, Congress quickly passed most Salvadoran economic initiatives. By 1986, economic assistance to El Salvador exceeded military assistance by a ratio of 3.5 to 1. Thus, the Reagan administration used economic assistance as a means to stabilize the Duarte government, prevent communist infiltration, and protect American trade. Even before the earthquake of 1986, AID served as a major player in the Reagan administration's policy goals in El Salvador.

At the beginning of 1986, AID officials expanded their role in El Salvador, beginning a series of ambitious projects aimed at reforming the Salvadoran economy. While American policymakers applauded the early successes of the Duarte government, in particular its ability to win support from the military, they also feared leftist and rightist challenges to the Salvadoran President. In October 1985, leftist rebels kidnapped Duarte's daughter, freeing her only after the Salvadoran government agreed to release dozens of political prisoners. In early 1986, American policymakers watched nervously as Orlando de Sola, the conservative treasurer of the Salvadoran Coffee Growers' Association, condemned Duarte's Christian Democratic Party. As a result, AID officials

21 Ibid.
sought to stabilize further the Salvadoran government, tying Duarte's success to a healthy, prosperous, and stable economy.\textsuperscript{23} In July, policymakers emphasized how Salvadoran "private enterprise and government must learn to cooperate and co-ordinate in order to get the economy moving and create employment." In particular, AID policymakers valued social reform as a means to stabilize the embattled Salvadoran president, stressing that the Salvadoran government needed to continue to move its programs for health, welfare, and economic assistance out of the planning stages.\textsuperscript{24}

AID policymakers encouraged the Duarte government to build a large, populist coalition that included political parties, the agrarian sector, the judicial system, and free labor unions in order to "progress toward a self-sustaining democracy [that will assist] the Salvadorans in their battle against the Marxist-Leninist guerrillas who are intent on installing their own form of 'democracy' in El Salvador."\textsuperscript{25} AID officials also communicated their strategy to Washington, stressing that El Salvador "is in the beginning of the middle of the process of reform. The United States, as the godfather of Salvadoran democracy, must be willing to make the long term commitment of political, economic, and military resources."\textsuperscript{26} Thus, Reagan officials, fearful of losing a top ally in Central America, favored a broad platform of assistance to El Salvador throughout the 1980s. The Reagan administration proceeded to fund Salvadoran programs that

\textsuperscript{22} Ibid.  
\textsuperscript{23} Corr to Shultz, 5 June 1986, National Security Council Secretariat, RRPL.  
\textsuperscript{24} Ibid.  
\textsuperscript{25} Ibid.  
\textsuperscript{26} Ibid.
emphasized economic development, stable democracy, and social reform. This confluence of economic and security motives was central to Washington's strategy in El Salvador and played a key role in AID's policymaking following the earthquake of 1986.

The race to rescue El Salvador

On October 10th, 1986, an earthquake struck San Salvador, El Salvador's capital. The tremor, which measured 5.4 on the Richter scale, caused extensive damage within the capital, but considerably less in the Salvadoran countryside.\(^\text{27}\) 1,000 people were killed and some 200,000 were left homeless by the quake, which destroyed numerous government buildings including the Salvadoran Central Bank, half of the city's schools, and much of the American embassy, causing a total of $1.03 billion in damage.\(^\text{28}\) Not surprisingly, the quake scared American policymakers who considered the disaster an opportunity for Duarte's critics to challenge the status quo in El Salvador. In the days following the tremor, AID officials discussed attempts by leftist guerrillas, rightist opposition leaders, and Catholic priests to discredit Duarte's fragile coalition, although AID leaders did not discuss the military’s violent campaign which resulted in the deaths of thousands of civilians. In the minds of AID officials, the earthquake provided an opportunity for destabilizing forces, particularly from the left, to seize power in El Salvador. Thus, American policymakers decided to use the earthquake for their own


\(^{28}\) Ibid.
ends as they carefully analyzed the links between disaster, public dissent, and international aid. High-level officials in both Congress and the Reagan administration concluded that a large package of disaster assistance was the best way to shore up Duarte's rule in the face of new challenges. AID provided El Salvador with $205 million in the months following the earthquake.

Primarily, AID officials feared that the earthquake would encourage further fighting by the Sandinista-supported FMLN guerrillas, especially while the Salvadoran government was attending to issues of earthquake relief. Additionally, American policymakers discussed how a disaster-weakened Salvadoran economy might help the FMLN win new recruits. Several days after the quake, Secretary of State George Shultz informed his colleagues about the potential threat the disaster posed, emphasizing the damage to military facilities in San Salvador. Shultz grimly stated, "90 percent of all [military facilities] were destroyed or damaged. The National Police and National Guard facilities have been declared 75 percent unusable. We will have to address the issue of rebuilding these facilities if continued military success is to be realized."29

The FMLN, observing this opportunity, began to escalate activities both within the city and in the surrounding countryside. Within one day of the disaster, President Duarte began reporting "harassment activities" by FMLN guerrillas within San Salvador,
even though armed forces units were patrolling the city. North of the city, guerilla units observed that the government was distracted by the earthquake and began attacking small towns. While these attacks proved unsuccessful, they demonstrated to American policymakers how the catastrophe had contributed to nationwide instability.

Two weeks after the earthquake, Salvadoran military forces began to cluster at the Universidad de El Salvador, fearful of FMLN agitation among the students. American officials noted that the security measures at the university seemed unusually strict, stating, "[the United States] is concerned that the FMLN may be re-establishing a large-scale urban base [at the university]."

Additionally, the Sandinistas decided to participate in the relief efforts, sending teams of doctors to El Salvador to care for the wounded. Sandinista relief workers used the disaster to promote stronger ties between El Salvador and Nicaragua, stating that their presence "provided a positive image of Nicaragua. Our government is happy to promote cooperation in Central America and work for peace. We care." Thus, the earthquake provided Nicaraguan leftists with an opportunity to win positive publicity on the international stage and build ties with the FMLN. American policymakers believed the actions of FMLN and the Sandinistas foreshadowed an inevitable, bloody struggle within El Salvador. U.S. ambassador Edwin Corr

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pessimistically concluded that the earthquake zone “lies along one of the chief guerrilla infiltration routes into the city from the north... we can expect redoubled guerrilla political work in these areas.”

While the immediate threat of FMLN guerrillas certainly frightened American policymakers, U.S. officials also expressed concern about the local battle for publicity between government officials and opposition groups. Even if an escalation of FMLN activities proved unfruitful, widespread public criticism of the Salvadoran government held the potential to weaken Duarte's rule. The Catholic Church was one of the groups most critical of Duarte. Although Pope John Paul II did not criticize the Salvadoran leader, many local bishops believed in leftist liberation theology, a belief system influenced by Marxist social theory, and were friendly to the FMLN. The Church also protested against the atrocities of Salvadoran right-wing death squads. A week after the earthquake, Salvadoran archbishop Arturo Riviera Damas formed an emergency committee to receive and distribute privately donated international earthquake assistance. While Damas's intentions may have been charitable, the Salvadoran government viewed the Church with considerable suspicion. After all, Damas had publicly vowed to use the catastrophe to “encourage the establishment of a real truce” between Duarte and the FMLN. In the same statement, the Archbishop had assessed the government’s response

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in poor areas of San Salvador as “a total disaster.” Several days after the earthquake, several priests declared that the earthquake was "the judgment of God against the Salvadoran people for not negotiating peace during the past six years." The statement infuriated Duarte, who resented such criticism. In response, AID officials and Duarte met with Salvadoran church leaders to discuss how relief efforts channeled through the Catholic Church would be distributed. Duarte highlighted the Church's sympathies with leftist guerrilla organizations and strongly encouraged the Church not to "end up in the hands of guerrilla front groups, the National Organization of Workers [a communist-influenced labor confederation], or the FMLN." Duarte continued talks with church leaders, urging them to allow the government a greater role in dispensing privately donated food and shelter.

When the Church resisted Duarte's proposals, the Salvadoran government began to act more aggressively. During late October, Duarte officials placed numerous obstacles in the way of the Church, including denying landing permits to thirteen Catholic relief flights. In one instance, the Salvadoran government forbade a plane delivering Church-sponsored aid from California from landing. Additionally, the Salvadoran government used the military to monitor Church-sponsored relief activities,

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37 Ibid.
ensuring that no supplies reached the FMLN. In response, Catholic officials used the press to highlight government-church tensions. Richard Walden, an American citizen working with a Catholic relief group, stated "the church is a major competitor for the hearts and minds of the Salvadoran people with the government, and the government is not being very reasonable with other aid coming in. They say otherwise, but we've seen evidence that it's very, very tough." Relief workers continued to press the Salvadoran government, but without success, detailing their frustrations in the press. In particular, Church officials noted how State Department officials continued to ignore the problem by publicly insisting the Salvadoran government had imposed no prohibition on Catholic aid, when evidence on the ground clearly stated otherwise. While the suspected ties between the Catholic Church and the FMLN were not strong enough to topple Duarte's regime on their own, American officials viewed such connections as evidence that leftist groups in El Salvador enjoyed some level of popular support and that the earthquake provided a means to increase leftist rapport with the Salvadoran people.

Additionally, American officials nervously noted that the earthquake also bolstered anti-government right-wing opposition. Two weeks after the disaster, American officials began to focus on the relief efforts of ARENA, the leading Salvadoran right wing-party. Ambassador Corr noted how ARENA succeeded in beginning an "ambitious feeding program" as "donations began flowing in from the party membership

40 Ibid.
in the San Salvador area." Within a week, ARENA relief trucks successfully distributed 20,000 tons of food, focusing on areas that the Salvadoran government had not yet assisted. The truck convoys occasionally featured well-known ARENA politicians delivering aid personally to the Salvadoran people. Hundreds of hungry Salvadorans quickly surrounded the ARENA vans, flocking to relief provided by the opposition party. Cheerful ARENA officials promised "food for everyone," allowing hungry Salvadorans to return to the back of the line for second helpings. In particular, Corr expressed concern about armed personnel travelling alongside the convoys, carrying pistols and other small arms. ARENA’s show of force worried American officials. A concerned Corr noted that with "the enormity of the reconstruction effort and the inevitability of mistakes, ARENA will be waiting on the sidelines to capitalize on popular discontent if and when it develops." Thus, the earthquake catalyzed challenges to Duarte's government from both the left and right, placing the American-supported leader in a particularly tenuous situation.

Lastly, American officials expressed concern about the social and economic consequences of the earthquake. Although the Salvadoran earthquake was not catastrophic, it did significant damage to the financial infrastructure of San Salvador, destroying seven major banks, including the state-owned National Bank. Several days

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42 Ibid.
43 Ibid.
44 Ibid.
after the disaster, a despondent Shultz noted that "every [Salvador] sector suffered major
damage. Friday's quake did more damage to the economy than seven years of guerrilla
warfare." Prices spiked within the city, leading to shortages that left many Salvadorans
with neither food nor shelter. The quake demolished eight major hospitals, leaving no
place to treat many of the injured. Additionally, many government buildings
constructed under Duarte's social reform initiatives were rendered unusable by the
disaster. Half the schools in San Salvador suffered earthquake damage. Most of the city
lost access to power and water. Overall, American officials estimated the cost of
rebuilding at nearly one fourth of El Salvador's entire GDP. The earthquake thus
represented a major economic setback to the Duarte government, which now faced
recession and challenges from both the FMLN and ARENA. American officials viewed
El Salvador's economic troubles as "a most serious situation" and vowed to work with
President Duarte in order to stabilize his nation.

Restoring the Basis for Renewed Economic Growth

In the weeks after the October 10 earthquake, the Salvadoran government faced
numerous challenges. The disaster spurred Duarte’s political rivals to action, resulting in
increased tension between the government, the Catholic Church, the ARENA party,

45 "Preliminary Damage Assessment," 14 October 1986, Oliver L. North Files, RRPL.
46 Disaster Case Report: El Salvador RG 286, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04,
47 "Preliminary Damage Assessment," 14 October 1986, Oliver L. North Files, RRPL.
leftist groups, and homeless citizens. It also destroyed much of San Salvador's economic infrastructure, leading to high food prices, unusable public buildings, and a looming recession. As a result, high-level U.S. policymakers decided to make earthquake reconstruction in El Salvador a major priority. During the first week after the tremor, AID spent a total of $1.5 million in emergency rescue and relief efforts. Reagan officials sought more money for the Salvadoran reconstruction, however, asking for and receiving $50 million from Congress.

On October 14, three important political figures wrote letters to Congress, requesting more money for assisting the Duarte government. House Speaker Tip O'Neill, George Shultz, and Vice-President George Bush emphasized security and economic goals. O'Neill stressed how "it will be necessary to address the relief effort that will be needed to restore essential services, rebuild destroyed schools and hospitals, and rebuild housing and other facilities."\(^{48}\) Shultz stated that "our national interests compel that we in the coming months participate in international efforts to respond to the most immediate needs for reconstruction assistance."\(^ {49}\) The most emphatic of the three, Bush wrote, "the physical damage caused by the earthquake is enormous. This burden cannot be met entirely by El Salvador, a country whose economy has been ravaged by years of communist-supported insurgency and whose government is seeking to... restore the basis


for renewed economic growth.” The broad, bipartisan effort to provide El Salvador with a more generous package of earthquake relief was successful. Congress quietly approved the request for additional funding only one day after O’Neill, Shultz, and Bush issued their statements. AID’s $50 million proposal passed easily, especially because legislators tied the funding to the 1986 federal budget, which needed to be approved by October 17 in order to prevent the stoppage of certain government services. The initial grant of $50 million, however, served simply as a "down payment" for further reconstruction assistance in the coming year. Shultz and Corr received a total of $205 million in aid for El Salvador, four times the amount they originally requested. M. Peter McPherson and civilian-run AID won the right to administer hundreds of millions of dollars in disaster assistance to El Salvador in 1986 and 1987. American officials thus sought to reconstruct a new El Salvador, flexible enough to accommodate free trade with foreign businessmen, yet strong enough to resist challenges from the FMLN, ARENA, and the Sandinistas.

After the Reagan administration sought and received additional funds for Salvadoran disaster relief, Reagan officials discussed how to spend the money because the disaster represented a hurdle to continued foreign investment and repayment of international debt. The Salvadoran government owed money to American businessmen

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52 Corr, "Ambassador's Comment," Oliver L. North Files, RRPL.
and global lending organizations such as the IMF and the World Bank. Reagan officials, motivated by concerns about both security and economics, drew up a reconstruction plan that aimed to mollify homeless Salvadorans, create jobs, encourage democracy, rebuild the federal infrastructure, and promote foreign investment. Reconstruction served as a means to Americanize El Salvador, providing the country with a large enough government to serve the immediate needs of its politically capricious citizens, while creating considerable openings for free trade and the investment of foreign capital.

Two weeks after the earthquake, George Shultz advanced his plan for earthquake reconstruction. With $50 million at his disposal and hundreds of millions more on the way, the Secretary of State began negotiations with President Duarte, discussing the best ways to rebuild the disaster-stricken nation. Shultz's primary concern was economics. Shultz and ambassador Edwin Corr expressed constant concern about the financial toll of the earthquake, fretting about how the tremor "has changed all the macro-economic variables [in El Salvador]." In particular, the two stressed how an aggressive response to earthquake reconstruction might "avoid worsening the balance of payments disequilibrium."53 According to Shultz and Corr, El Salvador's economic recovery would protect the investments of American businessmen as well as "blunt the appeals of leftist groups."54

54 Ibid.
American officials thus pursued a plan of earthquake reconstruction designed to "be as fast-dispursing [sic] and as uncomplicated as possible," in order to fix some of the damage caused by the quake's destruction of enterprises. AID officials concluded that El Salvador's complete economic recovery to a pre-earthquake GDP was necessary, both to protect foreign investments and to discourage the spread of communism. Since El Salvador's GDP was 1.25 percent of the U.S. GDP, Reagan officials viewed a full restoration of the Salvadoran economy as an achievable goal. Policymakers emphasized that the quake compounded the effects of heavy guerrilla attacks, hurt the nation's productive infrastructure, and exposed years of insufficient investment.

American officials thus concluded that any plan for earthquake reconstruction should increase "the rate of savings and investment in the economy... above the path it otherwise would have followed [had the earthquake never occurred]."

In order to achieve this end, Reagan policymakers used reconstruction money to promote both foreign investment and moderate social reform. Instead of giving grants to NGOs to disburse AID dollars, Washington gave most of the money directly to the Salvadoran government, which in turn contracted the services of private companies, such as banking firm Figape. While Shultz worked with Duarte to attract greater foreign investment, AID officials discussed the need for both an influx of private capital and a

55 Corr, "Ambassador's Comment," Oliver L. North Files, RRPL.
series of social programs in order to mollify disaster-stricken Salvadorans. AID policymakers stressed the importance of a populist response from the American-supported government. "Once the immediate emergency has passed," one official wrote, "the task is to recover lost income and employment. In the short term, income and employment recovery would have to come through the reconstruction effort and complementary programs -- perhaps unrelated to earthquake damage."  

Not surprisingly, American and Salvadoran officials developed a far-reaching reconstruction plan aimed both at building private ties with Salvadoran businesses and promoting a swift program of social reform in the aftermath of the earthquake. In November 1986, the Duarte government unveiled its rebuilding plans, which relied heavily on AID funding. Duarte's plan looked beyond resolving the immediate effects of the earthquake, instead promoting a "long term reconstruction effort." AID officials supported Duarte's plan, but pointed out that "unlike normal AID programs, this program will evolve as an extremely fluid situation." Overall, Salvadoran earthquake reconstruction served as a means of nation-building, as Reagan and Duarte officials worked together to build a new El Salvador, one more prone to political stability and friendlier to foreign investment.

As in Mexico, Salvadoran leaders created a reconstruction committee designed to promote political unity, co-opt dissent, and attract greater ties with the private sector.

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58 Ibid.
59 Ibid.
The Comité Nacional de Emergencia (CNE) represented a variety of parties, public and private, foreign and domestic, that expressed interest in contributing to the reconstruction efforts. Reagan officials applauded Duarte's decision to name officials from the "private sector as the chief coordinators and accountants of incoming relief," stressing how the Salvadoran President recognized "the potential the disaster offered for political consensus-building."\(^6^1\) Shultz praised the plan, stating, "The uniting of all the people, government, unions, military, and all sectors of society speaks well for the heart and soul of a nation."\(^6^2\) While the private sector took the lead in carrying out reconstruction on the ground, Duarte carefully delegated authority to lower-level party officials, AID donors, and local leaders. In order to stress local control, the CNE also contained committees that emphasized community organization. American policymakers described how Salvadoran officials organized "trade unions, sectoral groups, and communities as a more effective way of managing the delivery of assistance, and ultimately reconstruction" in response to "the FMLN trying to stir up discontent in many of the communities hardest hit by the quake."\(^6^3\) By allowing local control over reconstruction resources, the Duarte government ensured that all avenues of political dissent went through the government, instead of rebel groups.

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\(^6^1\) Ibid.


Duarte's focus on local control aided his desire to involve the private sector in reconstruction efforts. AID and Salvadoran officials constructed a plan to help small business owners whose enterprises were hurt by the earthquake. The CNE concluded that it was necessary to extend a series of loans to "microentrepreneurs," whether or not they carried insurance on their businesses prior to the disaster. American officials, however, noted that "tight credit conditions imposed by the [Salvadoran] central reserve bank" made it impossible for the Salvadoran government to extend these loans to business owners.\(^6^4\) Thus, American and Salvadoran officials pressed private lenders to invest in earthquake-stricken small businesses. Salvadoran banks such as Figape and El Banco Hipotecario provided over $30 million in loans to 12,000 Salvadoran small businesses. In doing so, these banks assumed the space previously occupied by the Duarte government, making money in the process.\(^6^5\)

Additionally, the Salvadoran government relied on foreign banks for other aspects of earthquake reconstruction. Although Salvadoran banks were able to extend credit to tens of thousands of merchants, the homelessness crisis exceeded their means. The 250,000 displaced people concerned American policymakers who stressed the need for temporary shelter and sanitary services while the Salvadoran government carried out reconstruction plans.\(^6^6\) AID officials thus spent $4 million in first days after the


\(^{6^5}\) Ibid.

earthquake finding shelter for displaced people, but sought a permanent solution that involved returning people to the *barrios* where they used to live. AID formed a partnership with a large American broker, Price-Waterhouse Cooper, to extend small loans to displaced Salvadorans. In the months that followed, more than 30,000 Salvadoran families received grants directly from Price-Waterhouse Cooper and AID to reconstruct their homes. While AID provided $30 million to the Salvadoran government in capital to extend these loans, Price-Waterhouse Cooper offered the staff necessary to process each of these transactions.

Lastly, AID promised to rebuild Salvadoran hospital and schools, as well as find employment for displaced citizens. Aimed at winning over the hearts of disaster-stricken Salvadorans, these social reforms played a key role in Washington's initial $50 million commitment. AID set aside $1 million for "rubble removal," giving the money to "private [Salvadoran] firms to actually hire and supervise workers to clear the rubble." Thus, reconstruction served both as a means to hire frustrated, unemployed Salvadorans and as a way to bolster the coffers of private firms. Similarly, AID contracted $5 million to private companies to rebuild schools and hospitals throughout San Salvador. Although the Duarte government could claim responsibility for restoring public services, the

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reconstruction was actually conducted by private corporations funded by the U.S. government.  

As reconstruction continued, Reagan officials won an additional $155 million from Congress to provide grants to private companies, both Salvadoran and American, for earthquake relief. The funding, supported by a broad base of Democrats and Republicans, survived a proposed amendment by Senator Christopher Dodd (D-CT) that would have tied continued economic aid in Central America to new rules prohibiting the support of rebels in Nicaragua. The bill eventually passed the Senate by a vote of 97-1. Dodd’s proposal was considered separately, largely because President Reagan threatened to veto the entire measure.  

In response to the additional support, President Duarte formed El Comité Empresarial de Asistencia (COEDA), an organization comprised of influential Salvadoran businessmen to audit and distribute $125 million in AID contracts to interested businesses. Duarte promoted these lucrative contracts during press conferences, advertising "over 150 investment projects in El Salvador," when speaking to the international media. Additionally, Salvadoran officials visited the United States, Taiwan, and Japan, in order to raise capital for earthquake reconstruction. Although Reagan and Duarte officials drew an ambitious plan to restore the Salvadoran economy in the weeks after the earthquake, local and international businesses conducted most of the

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70 Ibid.  
71 Steven Heilbronner, States News Service, 18 February 1987.  
work on the ground through AID-issued, Salvadoran-supervised grants. Thus, American officials played a key role in restoring the Salvadoran economy by delegating capital and authority to the private sector. While private companies worked to restore services to afflicted citizens courted by the FMLN, American grant money kept these companies afloat, profitable, and loyal to the Duarte government. Reagan officials thus employed a strategy of privatization to satisfy American security and economic interests in El Salvador, furthering free trade and staving off challenges from both the right and the left.

Epilogue

During the early 1980s, El Salvador became a priority for Reagan officials. The success of the Sandinistas, the rise of the FMLN, and a desire to increase trade with Central America, led Washington to support the centrist Duarte government. The earthquake of 1986 jeopardized American goals by intensifying political and economic difficulties within the small nation. The rightist ARENA party and the leftist FMLN both challenged the Duarte government, while El Salvador's fragile economy teetered on the brink of recession. As a result, high-level Reagan officials worked in conjunction with the Duarte government to draw up an expensive and ambitious reconstruction plan. Within one year of the disaster, American officials had given El Salvador over $205 million for earthquake relief and reconstruction.

Overall, Washington's strategy was partially successful. Ten months after the disaster, Reagan officials could brag that the earthquake-ravaged Salvadoran economy had actually grown by one percent. Meanwhile, the Sandinistas, hit by a U.S. trade embargo and the Contra War, were dealing with triple digit inflation and food shortages.\(^{75}\) American policy restored the Salvadoran GDP and averted the economic collapse that Washington feared would occur because of the earthquake. Unlike in Ethiopia and Mexico, American decision-makers had the initial and thorough cooperation of local leaders, a deciding factor in efficacy of their disaster relief policy. Through this cooperation, American leaders used the Salvadoran earthquake as an opening to rebuild El Salvador in a manner that promoted stability and foreign trade. El Salvador's economy did not immediately collapse, despite the damage caused by the earthquake.

American policymakers succeeded in staving off potential instability caused by the earthquake, but they failed to resolve the larger structural problems endemic to El Salvador caused by the civil war. Although aid from Washington temporarily propped up the Salvadoran economy, continuous fighting torpedoed the ambitions of the Duarte regime. By 1990, El Salvador's GDP was twenty-five percent lower than it was a decade earlier. Thirty percent of Salvadoran children were malnourished.\(^{76}\) Additionally, the Duarte government was unable to parlay the West's Cold War successes of the late 1980s into political gain. Although American assistance to El Salvador persisted, the constant

\(^{75}\) Sally Jacobsen, ""Out of Control' Economy Now Probably Region's Sickest," The Associated Press, 2 August 1987.

conflict between rightist and leftist elements in El Salvador continued to weaken Duarte's regime. The right-wing ARENA party made major gains in 1988 and 1989, effectively diminishing Duarte's political significance. In 1989, ARENA leader Alfredo Cristiani took power. The end of the Cold War in 1991 helped to broker a truce between the FMLN and ARENA, not American attempts to bolster a centrist government in El Salvador. Duarte died of stomach cancer in 1990; his nation's economy in tatters and his political influence gone. Despite a Herculean effort to bolster the Duarte regime, Washington had failed to live up to its mantra as "the godfather of Salvadoran democracy;” the Salvadoran people soured on their President during the final years of the Cold War.

American disaster policy in El Salvador combined the motives of Reagan officials in both Ethiopia and Mexico. In Ethiopia, AID policymakers used famine relief in an attempt to undermine the socialist, Soviet-aligned Mengistu government. AID used private agencies to distribute food in rebel-held areas, while competing with the Ethiopian government over publicity and resources. In Mexico, American officials encouraged the PRI to use the devastating Mexico City earthquake as an opening to privatize national resources. American officials quietly used the World Bank to distribute assistance to the Mexican government while the PRI exploited the disaster to introduce foreign investment to Mexico City and weaken government monopolies. In El Salvador, Reagan officials shuttled hundreds of millions of dollars to the Duarte

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77 Ibid.

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government, hoping to shield El Salvador's centrist leaders from an onslaught of challenges from rightist and leftist challengers. Earthquake relief sheltered El Salvador from an economic collapse that would only encourage communist rebels. Protecting El Salvador's economy, however, also allowed foreign businessmen to invest in the nation's rebuilding efforts. While disasters in Ethiopia and Mexico allowed Reagan officials to pursue their goals of containment, free trade, and privatization separately, the earthquake in El Salvador represented an opportunity for the Reagan administration to place all of these goals together in a single, comprehensive strategy. The earthquake in El Salvador thus presents the most revealing glimpse into Reagan-era disaster policy.

The Salvadoran earthquake also marked the last serious catastrophe M. Peter McPherson would address as USAID administrator. In 1987, he left to take a position in the U.S. Treasury, but his successors, Jay F. Morris and M. Alan Woods, followed closely his blueprint for disaster relief, ensuring continuity in policy that would last beyond the Reagan administration.
Chapter Five

"Even the Heavens Are Against Us: Rebuilding and Rapprochement in Soviet Armenia, 1988-1989"

In December 1988, Pat Snyder, a Red Cross volunteer from Los Angeles, faced a difficult task-- she was assigned to collect donations for earthquake victims in Armenia. Nestled between Georgia and Azerbaijan, the Soviet Republic of Armenia lay behind the Iron Curtain, far away from the concerns and sympathies of ordinary Americans-- or so Snyder thought. She was startled when a middle-aged man walked into her office, declaring that "he had some money to contribute to the Red Cross's efforts on behalf of Armenia." The man reached deeply into his pockets, pulling out a crumpled wad of checks. As Snyder totaled the sum of donations, she lost her breath. "Not a check was under three figures," she exclaimed, "by the time he had finished emptying his pockets, there was almost $10,000 sitting on the table!" After forty years of Cold War hostilities, some Americans seemed eager to approach U.S.-Soviet relations with a fresh attitude. International disaster relief served as a convenient vehicle to ease old tensions, especially with a rival superpower state.

On December 7, 1988, an earthquake shook Armenia causing extensive damage. The 6.9 tremor, the worst to strike Armenia in 80 years, killed 70,000 people and left

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1 "Chapters Raise Millions on Behalf of Armenia," Lifeline, Spring 1986, Hazel Braugh Records Center (HBRC).
2 Ibid.
hundreds of thousands homeless. The American public responded generously to the devastation, donating tens of millions of dollars to private groups. Soviet Premier Mikhail Gorbachev publicly asked Washington for disaster assistance, marking the first exchange of aid between the two nations in more than four decades. American policymakers responded slowly but affirmatively to Gorbachev's request, contributing $9 million in public disaster assistance, the first direct exchange of aid between the two nations in forty years.³

Policymakers had a variety of motives for helping the Soviet Union. Officials in AID and the State Department were initially cautious about Gorbachev's request for relief assistance, but eventually provided grants to private groups throughout 1989. This chapter argues that Washington pursued several objectives through its aid to Soviet Armenia. First, American policymakers faced a public relations dilemma if they did not provide earthquake relief to the Soviet Union. Like in Ethiopia, people across the United States and Europe transformed the Armenian earthquake into a cause celebre, increasing the pressure on governments to provide more aid. American policymakers watched as dozens of European nations, the Vatican, the international media, and the Armenian-American community mobilized in response to the earthquake. Washington's response to the disaster merely brought America in line with the rest of the world.

Second, American policymakers viewed earthquake assistance as an opportunity to strengthen the leadership of Mikhail Gorbachev. Reagan and Bush officials generally

approved of the Soviet Premier's policies of *perestroika* and *glasnost*, but feared instability within the Soviet system. In 1988, Armenia and Azerbaijan fought over the border region of Nagorno-Karabakh. The conflict stoked the fires of Armenian nationalism. The disaster shook the foundations of an already unstable Armenia, thus threatening Gorbachev's control over the region. Additionally, the reforms of *glasnost* reduced restrictions on the press, subjecting the Soviet Premier to criticism from both communist hardliners and those seeking more radical reforms. American policymakers concluded that assisting the Soviet Union in Armenia would serve as a powerful statement that would reward Gorbachev's reformist gestures, silence Soviet critics, prevent disorder near the earthquake zone, and enhance the rapprochement between the two nations.

Third, and perhaps most surprisingly, American policymakers considered the potential of trade between the United States and the Soviet Union when they decided to participate in the earthquake relief effort. Washington distributed most of its relief aid to private groups such as the Red Cross and the Armenian Assembly of America. These groups, in turn, used government money to pursue developmental projects within Soviet Armenia, such as the construction of factories, schools, and parks, demonstrating that Reagan and Bush officials approached the Armenian earthquake with the same set of motives and goals they possessed when dealing with previous natural disasters, preferring a Soviet Union in transition over a Soviet Union in disarray. As in Mexico, Reagan
policymakers viewed a natural disaster as an opportunity to open new markets for private investment and trade.

This chapter contributes to the historiographies on Mikhail Gorbachev and the end of the Cold War. John Lewis Gaddis’s *The Cold War: A New History* offers a critical assessment of Gorbachev’s policies. While the author praises Gorbachev for backing away from Cold War commitments and pressing for greater freedom within the Soviet Union, he chastises the Soviet leader for refusing to use force when his regime was threatened by violent challenges. My chapter demonstrates that Gorbachev, though a reformist, was still willing to use force to defeat political rivals, particularly Armenian nationalists. 

Thomas McCormick’s *America’s Half Century* discusses post-Cold War U.S. foreign policy. McCormick argues that American economic motives did not change after U.S.-Soviet hostilities ended. Instead, U.S. policymakers continued to open foreign markets after the end of the Cold War, albeit without a Soviet threat to use as leverage against smaller nations in need of protection. 

My chapter demonstrates that American policymakers envisioned a capitalist Soviet economy and used the Armenian earthquake as a testing ground for investing in emerging Soviet markets. Thus, disaster relief reveals that U.S. economic policy remained unaltered, even as U.S. security goals changed rapidly.

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Leaving one epoch and entering another

The December 7 earthquake created a humanitarian crisis across Soviet Armenia. The Soviet press reported that a major city in northern Armenia, Spitak, was "utterly destroyed" and that two larger cities, Leninakan and Kiravakan, were each half-demolished. The tremor disrupted nearly all public services, knocking out power, water, and key roads necessary for the government to administer relief. Although the Soviets attempted to airdrop rescue supplies, several plane crashes dampened the relief efforts. The crisis was spiraling out of control. The catastrophe could not have occurred at a worse time for Soviet Premier Mikhail Gorbachev. By late 1988, Gorbachev had embarked on a series of ambitious reforms meant to redefine both Soviet domestic policy and Soviet foreign policy. Gorbachev's nascent policies of perestroika and glasnost were enduring a major test across the Iron Curtain when the Armenian earthquake struck. Gorbachev traveled to New York in December 1988, introducing many of his new ideas to President Reagan and President-elect Bush. The talks proved extremely fruitful. The United States took the first steps towards a resolution that would dramatically reduce long-range nuclear weapons, agreed in principal to Gorbachev's economic restructuring of the Soviet Union, and even seriously discussed a U.S.-Soviet bilateral trade agreement. While Reagan, Bush, and Gorbachev still disagreed about key issues in

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Central America, the meeting was a breakthrough that signaled a rapprochement in U.S.-Soviet relations. Although still skeptical, American policymakers seemed to agree with Gorbachev's new direction for the Soviet Union. President-elect Bush proudly announced, "We can realize a lasting peace and transform the East-West relationship to one of enduring co-operation." Gorbachev replied, "The world is leaving one epoch and entering another. We are at the beginning of a long road to a lasting, peaceful era. The threat of force, mistrust, and ideological struggle should all be things of the past."

The earthquake, however, scuttled the New York talks. Mere hours after the disaster struck, Gorbachev pulled out of negotiations with the United States, returning to the Soviet Union to assist earthquake victims. The premier's return, however, was more than a simple political gesture to the Soviet people. The tremor and the subsequent Soviet response represented significant tests to Gorbachev's reforms and his ability to keep order over an empire that was already beginning to fragment. In particular, the earthquake threatened to exacerbate a conflict between the Soviet republics of Armenia and Azerbaijan. Ethnic Armenians in southwestern Azerbaijan voted to join Armenia, a decision that Azerbaijani leaders condemned. The conflict escalated in 1988, occasionally resulting in armed fighting between guerrillas from both sides. Gorbachev refused to lend support to Soviet Armenia, thus earning the ire of Armenian nationalists who criticized the Soviet premier's "failure to seek a political settlement in the region"

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8 Remarks of the President and Soviet Chairman Gorbachev and a Question-and-Answer Session With Reporters in Malta," December 3, 1989
and "being so indecisive after letting people's hopes build up." The growing struggle between Armenia and Azerbaijan tested whether Gorbachev could simultaneously maintain order within the Soviet Union and diminish the Soviet state through his reforms. The disorder that followed the tremor imperiled the weak peace between the two Soviet republics, challenging Gorbachev's vision of a new Soviet Union.

Additionally, the devastation caused by the earthquake endangered the Soviet Union's already flimsy economy. American officials nervously noted that "after three years of reform, restructuring, and turmoil, there has been little, if any, slowing in the downward spiral of the Soviet economy. The disaster has added a further burden." CIA director Robert Gates noted that a collapse of Gorbachev's regime could result in an unstable Soviet Union governed by hardliner communists opposed to reform and rapprochement. The American and Soviet responses to the Armenian earthquake thus represented an attempt to extend the dialogue at New York by exploiting a crisis.

One day after the earthquake, President Reagan phoned Gorbachev to express his sympathies. Reagan floated the idea of the United States assisting the Soviet Union with rescue and relief efforts. "If there is any way which we can be of assistance, either bilaterally or through the international community, please let me know." Nancy Reagan

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10 Constable, Pamela, "Disaster in Armenia; Heading Home to Turmoil; After the Quake, Gorbachev Must Deal With Strife," The Boston Globe, 9 December 1988, p 22.
11 Shockwaves will strike economy; Detente To Devastation; Armenian earthquake" The Sunday Times (London), December 11 1988
12 Ibid.
reiterated the same vague offer to Raisa Gorbachev, indicating America's willingness to assist, but allowing the Soviets to dictate the terms and extent of U.S. aid. One day later, Gorbachev surprised both Soviet and American officials by asking the United States to play a direct role in Armenian earthquake relief. The Soviet premier requested direct American financial assistance and allowed U.S. military C-130 airplanes to enter Soviet airspace in order to deliver supplies.\footnote{Matlock to Shultz, 8 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.}

Taken aback by Gorbachev's enthusiasm for American assistance, Washington proceeded cautiously. Officials at the Agency for International Development were shocked yet excited at the prospect of assisting the Soviet Union directly.\footnote{Whitehead to AID, 9 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.} U.S. Ambassador Jack Matlock quickly drew up plans to present the Soviets with $25,000 in relief assistance, a symbolic gesture that indicated America's willingness to help, while policymakers figured out exactly how to respond to Gorbachev's request.\footnote{Matlock to Shultz, 10 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.} Secretary of State George Shultz decided to gauge the international response to the disaster before taking further action. In a telegram to Matlock, AID, and all U.S. ambassadors across the world, Shultz requested the estimates of host country and private assistance to the Soviet Union in order to assess the extent of the relief effort.\footnote{Shultz to Matlock, 13 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.} Caught off guard, American officials scrambled to determine the appropriate response to Gorbachev's request.
The international response to the earthquake was widespread, both in the East and in the West. Officials from the European Commission responded strongly to Gorbachev's desire for outside help, stating "I know that the European community, in the spirit of wishing to increase cooperation with the Soviet Union, will respond positively to all requests for assistance."\(^{18}\) The EC donated eleven million dollars, supplies, and several airplanes to the relief effort. Although the EC's contribution was small, its response was greater than the initial U.S. symbolic commitment to rescue efforts. Other Western countries followed suit. The Canadians contributed $1 million; the Swedes offered 30 tons of food and the expertise of medical personnel.\(^{19}\) Within one week of the disaster, 32 world governments ranging from Madagascar to Spain offered assistance to the Soviet Union.\(^{20}\) By the end of December, 62 states provided public assistance, worth over $58 million.\(^{21}\) Most notably, Pope John Paul II, a noted anti-communist figure, directed the Vatican to make a "prompt and extensive" contribution to the relief efforts. "In this time of affliction," the Pope stated, “I am closer than ever to the Armenian people who are always present in my prayers and pastoral concerns." He instructed Catholics worldwide to assist in Armenian disaster relief.\(^{22}\)

\(^{19}\) Kuchel to Shultz, 13 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.
Additionally, the media coverage of the Armenian earthquake was extensive, increasing the pressure on Washington to act more decisively. The Soviet Union, eager to garner as much international support as possible, allowed American journalists, including television crews, into Armenian earthquake zones. The footage sparked Americans to action, particularly those of Armenian descent. The Armenian-American community in the United States urged Americans to donate money to relief efforts, voicing their concerns through television and the newspapers. In Los Angeles, Armenian-Americans organized a telethon that was shown on network television in Southern California and on cable television in Texas, Virginia, and Washington. Republican California governor George Deukmejian, himself an Armenian-American, encouraged all Californians to contribute. On the MacNeil-Lehrer Newshour, Armenian-American volunteers described the destruction, emphasizing the "thousands of coffins with bodies mutilated, crushed heads, crushed chests" and the "thousands of villages that were completely destroyed."

The Boston Globe published a list of charitable organizations that were assisting the Russians with earthquake relief. Reporters at The Washington Post urged greater participation among Americans, stating "The Soviet Union, which used to suppress news of disasters, proclaimed the tragedy and its need for help. There is nothing Americans love better than helping; we know we do it well. All

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24 "Real Change; Helping the Victims; Messenger of Change," The MacNeil/Lehrer NewsHour, December 13, 1988
over, there are signs that mankind really thinks 'goodwill to all men' is more than a line in a Christmas carol."\textsuperscript{26} By 1989, Americans had contributed over $45 million to the Armenian relief effort.\textsuperscript{27}

Because of the extensive coverage of the disaster, thousands of letters began to pour into the White House, urging the Reagan administration to do more for the Armenians. One citizen wrote, "In the name of humanity, why don't you send 5,000 troops to Russian with shovels instead of rifles? This would be a perfect opportunity for Peace on Earth this Christmas season."\textsuperscript{28} Another stated, "What an ironic twist of history it would be if the forces we have maintained so long to defend us from the Soviets would become the means of sealing our friendship forever, as a consequence of this great human tragedy. The Cold War is dead. Horrible as the Armenian earthquake was, it nevertheless provides you with one of those great historical opportunities to change the direction of world events."\textsuperscript{29} Months after the earthquake, officials from the United Nations noted the importance of media coverage in convincing American leaders to act more energetically in response to the disaster. "The television and press played a key role in stimulating aid. The open and self-critical attitude of the Soviet authorities greatly

\textsuperscript{25} "A List of Earthquake Relief Organizations" The Boston Globe, December 20, 1988, Tuesday, City Edition, NATIONAL/FOREIGN; Pg. 3
facilitated objective reporting," UN policymakers noted. In response, American policymakers took a more active role in earthquake relief, contributing over $4 million through AID, and channeling $5 million more through private relief organizations.

While the media played a key role in pressing Washington to provide more earthquake relief, several American policymakers already believed that the strategic benefits of assisting the Soviet Union outweighed the risks. Soviet ambassador Jack Matlock and Senator Bob Dole urged the Department of State and Congress to increase America's involvement in Soviet Armenia. Matlock cited a need to reciprocate Gorbachev's policies of *perestroika* and *glasnost* in order to shore up the Soviet leader's position at home. Dole stressed how earthquake relief could serve as a launching point for promoting American-style development in Armenia. Together, the two argued that providing aid to the Soviet Union represented more than a nominal goodwill gesture. Instead, funding the rebuilding of Soviet Armenia represented a way to assist Gorbachev in a manner that would serve American trade interests abroad.

Two weeks after the quake, Jack Matlock reported that the presence of the foreign press within the Soviet Union allowed the world to participate in the relief effort, but at the cost of Gorbachev's popularity. Matlock informed the Department of State that the Soviet Union had ceased to jam Radio Liberty, a U.S. funded organization which

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broadcast Western-friendly news into Soviet Russia. The *Moscow News*, which had recently been granted a wider degree of journalistic freedom by Gorbachev, commented on Radio Liberty's focus on the Armenian earthquake. "While Soviet radio stations continued to broadcast pre-scheduled concerts and reports, Radio Liberty immediately scrapped its regular broadcasts to cover the earthquake and offered its channels to listeners in the affected area searching for relatives," one journalist noted.\(^3^2\) To Matlock's dismay, the newspaper concluded the article by criticizing Gorbachev's leadership, asking readers, "What were [Soviet] radio stations waiting for?"\(^3^3\) When he had lessened restrictions on the press and allowed foreign journalists to report on the Armenian earthquake in Russia, the Soviet Premier had opened himself up to criticism at home. Far from grateful and obsequious, the Soviet press reported on the shortcomings of the government, thus weakening Gorbachev's mandate.

Matlock concluded that Gorbachev needed some help. He urged American policymakers to take a more active role in Armenian earthquake reconstruction. Throughout late 1988 and early 1989, Matlock argued that the United States needed to provide a meaningful contribution to the relief efforts, as a show of support for Gorbachev's Western-style reforms. Matlock stressed that Moscow wished for the United States to make such a gesture. He informed George Shultz that Soviet officials

\(^{33}\)Ibid.
had quietly pressed him for "further opportunities for consultation on disaster relief." In particular, the Soviets wished to collaborate publicly with the United States in a technology-sharing program that would ensure a faster response to future disasters.

Matlock also noted that Soviet officials had been particularly eager to define even a token response from the United States as "unprecedented," "a great level of cooperation," and symbolic of the two countries' "new relationship." Matlock concluded that Gorbachev sought to build stronger public ties to the United States in order to assuage concerns about glasnost and perestroika. By improving the image of the West within the Soviet Union, American policymakers could indirectly assist Gorbachev in his Western reforms. Thus, Matlock urged the White House to increase Washington's contribution to earthquake relief, in order to "further the highly positive image of America as a generous, caring nation following our role in Soviet Armenia."

Matlock found an ally within AID, which sought an opportunity to play an important role in the historic redefinition of the Soviet-American relationship. AID lobbied high-level Reagan officials for the chance to provide a more generous package of assistance to the Soviet Union. AID officials circulated letters from private citizens wishing to participate in earthquake relief. These letters emphasized that the disaster

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provided an opening for American policymakers to change dramatically perceptions of the United States within the Soviet Union. One letter forwarded to the State Department read, "here we have an opportunity to help the Soviets and show some expertise in disaster relief that they have not seen, which could bring this country great credit for humanitarian effort." This line of reasoning persisted within AID throughout the relief effort. When AID pressed Congress for more money, its central argument highlighted the importance of changing perceptions of the United States within the Soviet Union. Although AID's report to Congress stressed the benefits of humanitarian goodwill, AID argued that helping earthquake-stricken Armenians had the expedient, practical value of propping up Mikhail Gorbachev. "By responding the way we have," the report read, "the United States has gone a long way in dispelling many of the hostile images that have been propagated by the Soviet media. This has been true both for the man on the street and as well as more skeptical Soviet government and party representatives. There is no doubt that U.S. assistance to Soviet Armenia will not be soon forgotten."

While Matlock and AID supported Armenian earthquake relief in order to win over Soviet party representatives and "men on the street," others saw the disaster as an opportunity to strength American trade interests abroad. Most notable of these advocates


was Senator Bob Dole. In early December, Dole served as a member of the U.S.-Soviet summit in Washington that the Armenian earthquake had scuttled. Throughout the summit, Dole's position was open-minded but firm; he welcomed Gorbachev's reforms and favored expanded trade with the U.S.S.R., but remained hesitant to commit to the START arms reduction agreement. As a statesman with experience negotiating with the Soviets and as a powerful voice in the Senate, Dole commanded considerable authority over the issue of Soviet earthquake assistance.

Throughout late 1988 and early 1989, Dole supported an expanded American relief effort within Soviet Armenia. In particular, Dole introduced Senate Resolution 62, which declared American solidarity with the U.S.S.R. and led to a $4 million dollar package of aid to Soviet Armenia. Dole also lobbied for and won an additional $5 million in earmarks directed toward Armenian reconstruction, using his position in the Senate to promote earthquake assistance as a worthwhile international cause. Dole visited Armenia shortly after the disaster, and although he sympathized with many of the victims of the earthquake, his motivations for supporting Armenian disaster relief were rooted in promoting American trade interests. Addressing the Senate floor in 1989, Dole encouraged Congress to increase the American commitment to Armenian reconstruction. "While direct contributions of food and materials are still welcome," Dole stated, "Armenia is in desperate need of technology, Western know-how, and projects and

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programs that can be long-term and self-sustaining. The money would be used to fund the work of [American] private voluntary organizations.” Thus, Dole boldly promoted Cold War developmental aid for the Soviet Union itself, aiming to rebuild Armenia in a more Western image.

AID quickly latched onto Dole's ideas. In particular, AID specifically delineated what private voluntary agencies were doing in Soviet Armenia. In addition to "building children's hospitals and schools," American private groups were "funding construction of a pre-fab housing factory, organizing a light industry exhibition in Yerevan, the capital city of Soviet Armenia, assisting in urban and architectural design, and assisting in organizing American investor trips.” Private companies, with the assistance of contracts from AID, the Department of Housing and Urban Development, NASA, began working in the Soviet Union. Dole's proposal became a reality as AID slowly pried open Armenian markets by funding earthquake reconstruction projects with help from the private sector.

The prospects for extensive trade in the Soviet Union, however, were very limited. AID's report to Congress admitted that "bilateral trade between the United States and the Soviet Union is small and is likely to remain small for the foreseeable future.” While the Armenian earthquake brought American expertise and investment into the

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45 Ibid.
Soviet Union, several obstacles still constrained trade between the two nations. Most notably, legislative restrictions prevented American policymakers from encouraging immediate, widespread investment in Soviet Armenia. The Jackson-Vanik Amendment, passed in 1974, required that any major American trading partner accept certain democratic reforms, including "freer emigration to the United States."\footnote{Ibid.} While AID supported "mutually beneficial, non-strategic trade on commercial terms with the Soviet Union," their goal could not be achieved overnight.\footnote{Ibid.} Thus, the desire to open markets in Soviet Armenia was a motive, albeit a secondary one, for American policymakers. While promoting bilateral trade fit easily into AID's mission, Washington seemed more concerned about reciprocating Gorbachev's reformist gestures and to responding to media coverage about the earthquake. Regardless, the combination of these variables led the United States to enact a more thorough and expansive policy of assistance in Soviet Armenia than policymakers initially envisioned.

After other Western nations assisted the U.S.S.R. and the earthquake received extensive media coverage in the United States, American policymakers decided in favor to provide a larger package of disaster assistance to the Soviet Union. During the third week of December, President Reagan met with several AID officials in order to discuss his administration's response to the Armenian earthquake. The President publicized his administration’s continued assistance to Armenia on December 20th, when he addressed

\footnote{Ibid.}
\footnote{Ibid.}
\footnote{Ibid.}
the American people, declaring his support for Soviet Armenians affected by the disaster and praising public and private relief efforts. Reagan remarked, "Over the past two weeks the hearts of the American people have gone out to the people of Armenia. Here in Washington, the people of in AID's Office of Foreign Disaster Assistance have worked around the clock to coordinate the [relief] effort. Those of you who answered the appeal for help carried a message from all Americans. It was a message of peace." Reagan officials proceeded to contribute $9 million to Armenian disaster relief.

*Bringing together 'good' people*

On December 20, 1988, President-elect George Bush and his son Jeb visited Soviet Armenia, surveyed the damage from the earthquake, discussed relief with Soviet officials, and visited victims in Soviet hospitals. Bush’s show of support was symbolic of Washington's shift in policy toward the Soviet Union. More specifically, American policymakers had committed to a more expansive response to the earthquake in Soviet Armenia. As soon as they received funding, AID officials drew up plans that dictated how the United States would administer disaster and rehabilitation assistance to its Cold War rival. Unlike in Ethiopia, where the Mengistu regime actively worked to restrict AID's physical presence on the ground, Soviet policymakers welcomed American

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officials and asked them to play a greater role in disaster relief. The lack of an AID office in Soviet Armenia, however, limited Washington's ability to distribute earthquake assistance widely within the Soviet Union. Although AID offered help and the Soviets were willing to receive assistance, American policymakers had no existing structures in the U.S.S.R. to build upon. Thus, AID turned to private groups that possessed existing ties within the Soviet Union. Not surprisingly, AID's focus remained on the strategic issues that led the United States to help the Soviet Union in the first place. Although American policymakers worked with many non-governmental organizations during the relief efforts, they concentrated their efforts on two specific groups: the American Red Cross and the Armenian Assembly of America. Both groups possessed important connections in Soviet Armenia that enabled them to distribute assistance more efficiently than the State Department. Additionally, both groups possessed philosophies that ran parallel to Washington's goals in Soviet Armenia, namely a desire to win positive publicity for both Mikhail Gorbachev and the United States as well as an ambition to promote development and trade within Soviet Armenia.

The American Red Cross played a pivotal role in administering earthquake relief to Soviet Armenia. In late 1988 and early 1989, the Red Cross contributed more than $14 million in private donations to the relief efforts, administering almost one-third of all private money raised within the United States. The American Red Cross worked in conjunction with the International Committee of the Red Cross, which had chapters in
Eastern Europe and the Soviet Union. The Red Cross thus possessed the connections necessary to carry out AID objectives in Soviet Armenia and frequently helped other non-governmental organizations conduct their relief efforts.\textsuperscript{52}

While the American Red Cross played a valuable role in the relief efforts, the group also worked to serve Washington's objectives in Soviet Armenia. Loyal to American goals in Ethiopia, the Red Cross also followed the lead of Reagan and Bush officials in Armenia. AID recognized the value of the American Red Cross and quickly endorsed the organization as a partner in disaster relief, urging private citizens to make contributions to their local Red Cross chapters.\textsuperscript{53} In Armenia, American Red Cross President Richard Schubert, a former Nixon official, visited the U.S.S.R. with the Bushes and toured devastated areas. Schubert emphasized the friendly reception he received from the Soviets, thus assisting Reagan officials who wished to reward Gorbachev's reformist gestures and stabilize the Soviet state. "The people displayed wonderful warmth and dignity. Time after time [the Armenians] expressed their thanks to the American public." Schubert stated. The Red Cross President added, "when they stopped to thank us on the streets the profusion of gratitude made it difficult to hold back tears--theirs and ours. Bad times bring together good people."\textsuperscript{54} Schubert's remarks found their

\textsuperscript{51} "Chapters Raise Millions on Behalf of Armenia," \textit{Lifeline}, Spring 1986, HBRC.
\textsuperscript{52} Mansfield to Shultz, 14 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders "Armenia," FORGN DSTR ASST PROJ File, 1983-1989, NACP.
\textsuperscript{53} AID to Shultz, 10 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders "Armenia," FORGN DSTR ASST PROJ File, 1983-1989, NACP.
way onto the government-owned Telegraph Agency of the Soviet Union (TASS), which
distributed his comments to Soviet newspapers. TASS added, "during the trip Schubert
went on, he was allowed to go where-ever he wanted and do whatever he thought
necessary. Schubert said he was impressed by the work carried out by the Soviet Red
Cross in disaster areas." Thus, Schubert worked to further Mikhail Gorbachev's policy
of perestroika. Schubert's comments served as valuable sound bytes, used by the
Gorbachev regime to promote domestic democratic reforms and a rapprochement with
the United States. His reassurances that Soviet disaster officials were well-organized and
trustworthy alleviated fears about the Soviet Union within the United States and
promoted a positive image of United States within the Soviet Union. Through the help of
private organizations such as the American Red Cross, Washington was able to
reciprocate Gorbachev's overtures of peace and provide some support to his flagging
regime.

Red Cross publications illustrated the same themes. Lifeline, a Red Cross
quarterly magazine, presented the earthquake as "a devastating, yet gratifying experience
of a lifetime." More specifically, Lifeline recounted stories from Red Cross volunteers
who described "spending their first night in the Soviet Union in a 15' by 15' Soviet army
tent. We traded watches with the soldiers. One said he had it three years and it kept
perfect time. He wanted to trade 'as friends' and gave us a big hug." Once the "Evil
Empire," the Soviet Union now encouraged the Red Army to embrace warmly American

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55 TASS, "President of US Red Cross on Trip to Armenia," 23 December 1988.
volunteers. Through Richard Schubert and internal publications, the Red Cross emphasized the rapprochement between Washington and Moscow. The private group thus contributed both to the relief effort and to furthering American strategic interests in the Soviet Union.

Additionally, the American Red Cross worked to encourage development inside Soviet Armenia. While the Red Cross provided invaluable assistance during the first hours after the earthquake, it also possessed far-reaching goals for the earthquake zone. During his visit, Schubert boasted of "long term plans to help Soviet Armenia rebuild its destroyed and damaged facilities." Internal documents from the Red Cross discussed an extended "rehabilitation and reconstruction phase" of earthquake relief that involved American participation in a variety of "projects that have received clearance from the Soviet government." The American Red Cross realized these plans throughout 1989. In addition to providing food and temporary housing to Armenian earthquake victims, Red Cross officials "invested $6.5 million dollars to promote development within Soviet Armenia. The Red Cross provided grants to contractors from the United States and Europe to help construct permanent housing for earthquake victims, three new schools, five new hospitals, and a prosthetics laboratory. Most notably, the Red Cross invested in

56 “Soviet Armenia’s Earthquake Disaster: An Experience of a Lifetime,” Lifeline, Spring 1986, HBRC.
a $31 million trauma center in Yerevan.\footnote{Disaster Case Report: Armenia, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.} In addition to providing immediate care for earthquake victims, the American Red Cross served as a conduit for Western investment in Soviet Armenia. Thus, the agency helped execute a second plank of American policy toward the Soviet Union by encouraging development through reconstruction.

The Armenian Assembly of America, an advocacy and lobby group for Armenians in America, also provided invaluable assistance to American policymakers during the earthquake relief efforts. The Armenian Assembly raised $4 million in donations to help disaster victims in Armenia and was one of the first organizations to begin sending supplies to the earthquake zone. Because of its connections to Armenians within the Soviet Union, the assembly emerged as a major recipient of donations and an important distributor of relief assistance. Like the Red Cross, American policymakers encouraged private citizens to make a donation to the Armenian Assembly. In the Soviet Union, the assembly helped distribute relief from AID.\footnote{AID to Shultz, 10 December 1988, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.}

The Armenian Assembly helped execute American policy objectives while administering earthquake relief. In particular, the Armenian Assembly wished for a more developed Soviet Armenia that was better connected to the West, lobbying specifically for an "Armenian move toward a market economy."\footnote{Disaster Case Report: Armenia, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders “Armenia,” FORGN DSTR ASST PROJ File, 1983-1989, NACP.} Thus, the group took a leading role in the drive to introduce foreign investment to disaster-stricken areas. In particular,
the assembly built connections with congressmen helpful to their cause. The group encouraged Bob Dole to press the Senate for more funds for reconstruction. Dole, in later years, became an advocate for Armenian-Americans, even introducing a Senate Resolution to recognize the Armenian genocide. In 1988, however, the Armenian Assembly lauded Dole for introducing legislation that tied the issue of United States-Armenia trade to earthquake rehabilitation. Overjoyed, Armenian Assembly officials noted how "the resolution passed and people inside and outside the government began calling for removal of existing Soviet-specific trade barriers. Armenia's potential rides on the treatment of the entire Soviet Union." To the assembly, a rapprochement between the United States and the Soviet Union was the best and only way to guarantee to introduce Western development to Armenia.

Once in Soviet Armenia, the Armenian Assembly attempted to use the earthquake as a means to introduce Western capital to the disaster zones. The group opened an office in Yerevan and began building ties with Soviet officials in an effort to "play a significant role in long term recovery." Within one year, the assembly was assisting contractors in the construction of three factories to produce housing for dispossessed

64 Ibid.
Armenians as well as a 17-acre industrial park. The group also considered itself "a facilitator for other organizations wishing to join the earthquake relief effort," helping the Armenia General Benevolent Union, another Armenian-American group, construct "a cold food storage facility" in Soviet Armenia. Additionally, the Armenian Assembly lobbied Washington to grant NASA and HUD money to invest in Soviet Armenian reconstruction projects. Thus, the assembly served as a vocal advocate for friendlier ties between the United States and the Soviet Union in addition to a Soviet Armenia better attuned to free market capitalism.

Russians go home?

Washington's support of the Soviet Union in a time of crisis symbolized a watershed moment in Cold War policy. American and European contractors helped the Soviets rebuild, bringing with them the promise of a stable Soviet Union more open to free-market commerce. While the earthquake provided an opportunity for two superpowers to reexamine their foreign policy, one element remained missing from the plans of the United States and the Soviet Union-- the concerns of ordinary Armenians. While many Armenians expressed gratitude at the quick response to the disaster, many others worried about Armenia's border dispute with the Soviet Republic of Azerbaijan. In the months leading up to the earthquake, Gorbachev refused to resolve the dispute, dismissing Armenian claims to Nagorno-Karabakh region. Armenian Nationalists

66 Ibid.
formed groups such as the Karabakh Committee and publicly protested the Soviet premier's inaction. In December, Gorbachev responded by imposing a midnight curfew in Yerevan and arresting many Armenian nationalists. Although Gorbachev remained well-liked in the West, he was extremely unpopular in Armenia. The earthquake, and the subsequent support from the United States, afforded Gorbachev an opportunity to consolidate his power over the Soviet Republics, but only at the expense of the people he was supposed to be helping. In the weeks that followed the disaster, Gorbachev imposed martial law in Soviet Armenia and used the earthquake as a public forum to criticize Armenian nationalists. Washington's policy towards Moscow focused upon reciprocating Gorbachev's reformist gestures and promoting stability within the Soviet Union. Although American leaders were vocal in their support of disaster relief for Soviet Armenia, they could do little when Gorbachev curtailed personal freedoms inside the Soviet Republic. The price of stability in Soviet Armenia was the liberty that Gorbachev himself endorsed in his program of perestroika. Although a different response from American policymakers would probably not have thwarted Gorbachev's crackdown on Armenia, the consequences of the earthquake in Soviet Armenia illustrate that American policymakers valued a stable Soviet Union over freer Soviet states.

The Soviet crackdown on Soviet Armenia began only days after the earthquake. On December 10th, three days after the disaster, AID officials reported that the "Soviet

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67 Ibid.
army is playing the primary role in carrying out rescue operations."\(^70\) The Red Cross, which had more personnel on the ground than AID, reported on December 11th that "the entire country is under martial law and there were tanks and troop carriers around all the major intersections and around some large buildings. Soldiers wearing long wool coats and carrying automatic weapons were patrolling everywhere."\(^71\) While the Gorbachev regime insisted that the military presence was essential to prevent looting and disorder in the days that followed the earthquake, many journalists adopted a different viewpoint. Many Western reporters who were allowed into the Soviet Union for the first time discussed the specific actions of the Red Army. While the presence of the foreign press helped Gorbachev win international assistance for disaster relief, international journalists slowly began to turn against the Soviet Premier. "Dozens of [Armenian nationalist] activists have been jailed for alleged curfew violations," wrote an Associated Press reporter, "other activists say, however, that the real reason for their arrest has been their continued political agitation. The Kremlin believes that a show of force is still needed to put a lid on nationalistic unrest."\(^72\) \textit{The New York Times} adopted a similar viewpoint, writing "troops have apparently been held back from rescue efforts in order to police cities where ethnic tensions have erupted. In Yerevan, protestors clashed with troops at least twice today. Five members of the Karabakh Committee and 15 other supporters

\(^69\) Ibid.
\(^70\) \textit{Disaster Case Report: Armenia}, RG 286, Stack 170, Row 36, Compartment 30, Shelf 04, Folders

\(^71\) "Soviet Armenia's Earthquake Disaster: An Experience of a Lifetime," \textit{Lifeline}, Spring 1986, HBRC.
have received 30-day jail sentences." The Washington Post reported that ethnic Armenians jeered the Red Army as it arrived to dispense earthquake relief, chanting "Russians go home!" Many Armenians seemed stunned that the Gorbachev regime would use the relief effort to dissolve nationalist opposition. One earthquake survivor remarked, "sometimes we feel as though even the heavens are against us."

In response to the allegations from the foreign press, Gorbachev took to the bully pulpit, using the earthquake as a cudgel to blame, discredit, and humiliate Armenian nationalist leaders. On Soviet television, Gorbachev caustically remarked, "Someone asked me about the unofficial group, Karabakh. [The earthquake] is a tragedy. Blood is being shed. And someone in [Yerevan] asked me that? To [protest] like this at such a time -- what sort of morals do these people have?" The Soviet press subsequently labeled Armenian nationalists as "political adventurists, corrupted elements, and political economy dealers." Gorbachev continued, "corrupt people are using this issue. They don't need Nagoro-Karabakh, they need it to hold onto power. They use the people's pain to their own interests." To Gorbachev, the earthquake necessitated an immediate

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75 Remnick, David, "Centuries of Suffering Tear at Souls of the Armenians; Survivor of Quake: 'Sometimes We Feel as Though Even the Heavens Are Against Us,'" The Washington Post, A-1, 19 December 1988.
cessation of discussion about the Nagorno-Karabakh dispute. Armenian nationalists rebutted Gorbachev's charges, arguing that it was the Soviet Premier who was manipulating the tragedy for his own ends. As Gorbachev toured the earthquake zone, Armenians taunted and heckled him. One activist told The Washington Post that Gorbachev “used a national tragedy for his own goals.”

"He has seized the moment to eradicate the Armenian national movement," remarked another. While the earthquake promoted peace and moderation between the United States and the Soviet Union, the clashes between the Red Army and Armenian nationalists only worsened with the arrival of the disaster, as Gorbachev used the tragedy to weaken Armenian nationalist rivals.

In the United States, policymakers possessed a divided mind about Armenian nationalism. In November 1989, the Senate passed a resolution urging Gorbachev to take action on the issue of Nagorno-Karabakh. Senators Paul Simon and Claiborne Pell emerged as vocal advocates of the resolution. Moscow, however, protested to the new Bush administration and found an ally in Ambassador Matlock. Gorbachev ignored the Senate resolution. Instead, he continued to repress Armenian nationalists, while allowing Azerbaijan to blockade earthquake relief supplies. While policymakers could not agree on how to deal with unrest in Armenia, most still favored developmental aid. Senator

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82 Ibid.
Dole continued his lobbying for developmental aid for Armenia, winning an additional $5 million during 1989. Despite the conflict between Armenian nationalists and the Red Army, Washington focused on the global ramifications of U.S.-Soviet cooperation, rather than the local problems. Thus, the most pointed critiques of Gorbachev's policies in Soviet Armenia originated from Armenian-Americans, who felt that their involvement with earthquake relief in Soviet Armenia had harmed their compatriots abroad. A spokesperson for the Armenian Assembly of America stated that before the earthquake, the United States had expressed its support for the democratic Armenian national movement, but after the earthquake, the Karabakh Committee and others were illegally arrested. The earthquake and the global relief effort had weakened the cause of Armenian nationalism, the Armenian Assembly concluded cynically.

While the earthquake in Soviet Armenia provided Washington with an opportunity to pursue a rapprochement with the U.S.S.R., the tremor also allowed Gorbachev a chance to crush a growing Armenian nationalist movement that was eroding the Soviet Premier's popularity and pressing him to make unpopular decisions in Azerbaijan. The greatest beneficiary from the earthquake in Soviet Armenian was neither the United States nor Armenia, but Mikhail Gorbachev, who succeeded in manipulating the disaster in order to consolidate power and win himself more time on a controversial border dispute.

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83 Krikoran, Van S. "Actual and Potential Sources of United States Government Support of Armenia," The
Epilogue

The collaboration between the United States and the Soviet Union represented a historic redefinition of a decades-old rivalry. American policymakers provided financial assistance to the U.S.S.R. for the first time in forty years, heralding the beginning of the end of Cold War tensions. Motivated by a desire to appear generous on the world stage, assist an embattled reformist, and promote investment, trade, and development, American policymakers furthered the ties between the United States and the Soviet Union. Both Washington and Moscow wished to prevent disorder throughout the U.S.S.R., a goal that seemed within reach as the Red Army took control throughout Armenia and Nagorno-Karabakh.

Although U.S. participation in Armenian disaster relief held significant symbolic value, the gains won by both American and Soviet policymakers were overwhelmed by historical momentum. In 1990, Washington watched as Soviet republics began to declare independence from the Soviet Union, beginning with the Balkan states. Disorder prevailed as Soviet hardliners overthrew Mikhail Gorbachev in a 1991 coup. Although American policymakers had worked to prop up Gorbachev in Armenia, their support was not enough to strengthen the Soviet Premier's increasingly tenuous grasp on power. While Washington had scored a tactical victory in Armenia, the structural weaknesses of the Soviet Union were simply too strong to be restrained by either American or Soviet officials. American policymakers nervously watched from the sidelines as new Russian
states emerged. Gorbachev's victory in Nagorno-Karabakh was also ephemeral. The Red Army was unable to put a lid on the fomenting pot of Armenian nationalism; by late 1989 leaders in Armenia were once again claiming the Azerbaijani border region as their own and hostilities resumed. Gorbachev succeeded in preserving order in the region for less than a year. As the Soviet Union disintegrated, the conflict escalated into a bloody, full-scale war between the two nations. Armenia and Azerbaijan came to a tentative peace agreement in 1994, but violence continued to occur in the region. The earthquake in Soviet Armenia represented a short-lived moment of cooperation between two long-standing Cold War enemies. Mikhail Gorbachev demonstrated a willingness to ask for help during a period of transition, while Reagan and Bush officials cautiously assisted the Soviet Premier. As the Soviet Union crumbled in the early 1990s, AID policymakers must have wondered about all that might have been.

Conclusion

The 1980s marked a time of transition for the United States. Wary after Vietnam and economic recession, Americans did their best to adjust to a new era where even the most fundamental assumptions about the Cold War seemed obsolete. The Reagan administration tried desperately to tread water by imposing neoliberal economic policies and adapting to the changing political climate in Mikhail Gorbachev’s Soviet Union. In 1984, disaster relief was a key element in a “soft power” strategy used to throttle socialist rule in Ethiopia, but by 1988, AID policymakers were employing disaster relief to ensure political stability within the Soviet Union; Reagan’s disaster relief policy served first to escalate, then end, the Cold War. The Reagan administration’s disaster relief strategy thus serves as a valuable compass to measure changes in Washington’s thinking during a turbulent decade.

When M. Peter McPherson took office as AID administrator in 1981, he proposed an ambitious plan that promised to win AID a larger role within the Reagan administration's foreign policy strategy. By stressing the uncontroversial nature of large natural disasters, McPherson demonstrated that humanitarian assistance could be used to achieve other foreign policy goals without earning the ire of a disapproving public. Thus, AID promoted the Office of Foreign Disaster assistance as a means for Reagan officials to accomplish their lofty Cold War objectives. Additionally, McPherson's placed OFDA
neatly within the Reagan administration's neoliberal economic foundations. He emphasized how disaster reconstruction could serve as a means to reconstruct a foreign state in a manner friendlier to free trade and private investment. By 1984, McPherson's vision was in place. A well-publicized famine in Ethiopia forced the hand of Reagan officials, who were initially reluctant to provide aid to a socialist government. As public pressure mounted, McPherson used disaster relief in an attempt to undermine the Mengistu and win positive publicity for the Reagan administration. McPherson found that AID was reliant on the contributions of private relief groups, who received block grants from Washington in order to administer disaster relief in Ethiopia. The results were mixed. Although the Reagan administration's response to the Ethiopian famine certainly did not strengthen Mengistu's role, AID officials found that controlling private relief groups after they had received grants was a difficult and often frustrating task; AID officials left Ethiopia in 1987 with Mengistu still firmly in power. Despite the headaches, however, disaster relief continued to be a pillar of Reagan administration policy as the 1980s progressed.

In 1985, Reagan officials watched as the PRI bungled the early response to a major earthquake in Mexico City by eschewing all initial offers of foreign assistance. As local citizens took to the streets, fearing they would be evicted from their dwellings, the Mexican government formulated a response that suited their political agenda. PRI officials merged local forms of protest into a formal government bureaucracy that addressed the concerns of ordinary citizens, while at the same time promoting the state's
neoliberal goals. Reagan officials, careful to dodge charges of imperialism, waited for several months, providing the Mexican government with hundreds of millions of dollars in aid through the IMF and Import-Export bank. Although the PRI lost popular support, the decentralization of the Mexican state continued, a victory for Reagan policymakers and American investors.

In El Salvador, American security and economic interests merged. The “centrist” Duarte government, which was loyal to the United States, struggled to respond to an earthquake in the capital city of San Salvador. Reagan officials valued El Salvador as a counterweight to the communist Sandinistas in Nicaragua and did not want Duarte to fall out of power. As a result, high-level policymakers such as Vice-President George Bush endorsed disaster relief as a way to channel aid to the embattled Duarte government. In 1986, Reagan officials used disaster reconstruction both to shore up Duarte's rule and to introduce foreign capital into El Salvador. The Reagan administration viewed foreign investment as a necessary tactic meant to restore El Salvador's economy to its pre-earthquake GDP. With a stable economy, Duarte could better maintain control over El Salvador. The Reagan administration's strategy worked in the short term, allowing the Salvadoran president to stay in power until the final days of the Cold War.

In Soviet Armenia, disaster relief served as a means to carry out the Reagan administration's new foreign policy. Enamored by Mikhail Gorbachev's policies of glasnost and perestroika, Reagan officials softened their stance toward the Soviets, supported Gorbachev's reforms, and looked ahead to a post-Cold War world. The 1988
Armenian earthquake, however, threatened to destabilize Gorbachev's rule. Reagan policymakers responded by providing the Soviet Union with disaster relief-- the first direct aid between the two nations in over forty years. The Reagan administration hoped that providing Soviet Armenia with disaster relief would reciprocate Gorbachev's peaceful overtures to the United States and allow American firms to invest in the Soviet Union. Although Gorbachev was not able to remain in power, the earthquake in Soviet Armenia reveals much about the waning years of the Cold War and the shift in the Reagan administration's foreign policy strategy.

The Reagan administration’s relief policy, however, fell victim to the political and economic changes it symbolized. The collapse of the Soviet Union set off a chain reaction that rendered many of AID’s political goals irrelevant. By 1991, President Duarte’s government in El Salvador and Chairman Mengistu’s regime in Ethiopia no longer existed, wiped away by events that no “soft power” campaign could predict or correct. Armenian nationalists pushed for and achieved independence, free from Soviet rule and the meddling Gorbachev. AID’s economic objectives, however, remained intact. Whether menaced by a powerful Soviet Union or entranced by the possibility of a reformed Soviet state, the Reagan administration pressed disaster-stricken nations to end land collectivization, break up government monopolies, encourage foreign investment, and lower trade barriers. In the absence of a Cold War, AID policymakers bundled neoliberal reforms with the political goals of the subsequent presidential administrations.
American disaster relief policy thus symbolizes the transition from the bipolar world of the Cold War to the globalized economy of the 21st century.

Not surprisingly, Washington's focus on international disaster relief persisted after President Reagan’s second term ended in 1989. Future presidents would continue to make major investments in American disaster policy, extending the mission of AID and OFDA even further. President George H.W. Bush entered office with the earthquake in Soviet Armenia still a concern to American policymakers. Bush responded by continuing Reagan's disaster policies and never once denying an AID request to respond to an international disaster. In 1992, Bush extended famine assistance to the former Soviet Union, a sure sign that the Cold War had ended. Additionally, AID policymakers responded to food shortages in Iraq and Panama during the Bush years, illustrating the continued ties between humanitarian policy and American economic objectives. AID officials appeared in Panama two days after the American intervention, providing displaced Panamanians with food and shelter in order to ensure a smooth transition from the Noreiga regime and uninterrupted trade across the Panama Canal.

The role of disaster policy expanded yet again during the Clinton years. By the mid-1990s, OFDA was using 90 percent of its budget for disaster reconstruction instead of initial relief and rescue efforts. In Haiti, AID officials once again relied on private relief to administer food assistance. Clinton's use of disaster relief in Haiti allowed

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Washington to bypass its own economic sanctions against the nation, and thus to weaken the rule of Raoul Cedras without having to deal with the negative public consequences of contributing to a famine. When Republicans won control of Congress in 1994, OFDA was one of the few bureaucracies not cut by conservative lawmakers.

The second Bush administration used disaster relief extensively. After the 2004 Indian Ocean tsunami, Bush officials spent $800 million, committing themselves to reconstructing communities in Indonesia, Sri Lanka, India, and Thailand. The Bush administration used disaster relief to launch a major developmental project in Southeast Asia. The Agency for International Development boasted of using humanitarian assistance to press for women’s rights in Islamic regions and to promote democratic local elections in Indonesia. Bush officials used developmental aid to create the “Enlightening Women” program, which was designed to educate Sharia courts about domestic violence, divorce, and the role of women in the workforce. Programs influenced by the Bush administration’s commitment to fight “Islamofascism” were merely the flavor of the week, however; AID officials continued to use disaster relief to push for neoliberal economic goals. In Thailand, AID officials partnered with Coca-Cola to provide job training and “microloans” to people displaced by the disaster. In India, AID coordinated with American businessmen and financiers to provide green technology

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2 Ibid 50.
3 Ibid 51
4 Ibid 45
in tsunami reconstruction zones. AID also set aside money to “increase productivity in Indian agriculture” in order to encourage Indian farmers to sell their goods in international markets.⁷

M. Peter McPherson enjoyed a lucrative career after his tenure as AID administrator, serving in both the private and the public sectors. McPherson’s reemergence as a key policymaker in recent years reveals the ideological bridge between the Reagan and second Bush administrations. In 1987, McPherson left AID to become a Deputy Secretary of the Treasury. During the first Bush administration, he left public office to work in the private sector, finding work as the executive vice president of Bank of America. McPherson's devotion to public service, however, was rekindled in the mid-1990s, when he accepted a position as president of Michigan State University.⁸ President George W. Bush invited McPherson back into national politics when he appointed the former AID administrator the Director of Economic Policy for the Office of Humanitarian Assistance in Iraq. Beginning in 2003, McPherson used his position to reform the Iraqi economy, providing it with the infrastructure necessary to promote foreign investment and facilitate freer trade. The conflict in Iraq thus served as the culmination of McPherson's neoliberal agenda; the policies developed by Reagan officials in the 1980s continued twenty years later during the second Bush administration,

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often relying on the same strategy, the widespread implementation of disaster assistance, to achieve foreign policy goals. This time, however, the disaster was man-made.

The 2010 earthquake in Haiti suggests that McPherson’s blueprint may have survived beyond the Bush administration. In response to the Haitian earthquake, one of the costliest natural disasters ever to strike the Caribbean, President Obama took immediate action. After promising an initial commitment of $100 million to earthquake relief, Obama insisted that further U.S. action in Haiti would be necessary, stating “this investment will grow over the coming year,” and delineating plans for extensive reconstruction efforts within the nation.9 Former President Bill Clinton, acting as an envoy for Obama, traveled to Switzerland, urging business leaders to invest in the Haitian economy. “We have to build them a private economy. They want to go to work and have a chance to build their own dreams. And we need private sector investment to do that,” he stated.10 As Obama attempts to rebuild Haiti, it may benefit him to listen to McPherson, whose beliefs have shifted after three decades of government service. In 2009, the former AID administrator reflected, “in retrospect, countries should be allowed to make more decisions about their economic policy. Generally, conditionality doesn't work as well.”11 With an aging cast of wizened characters, the story of international disaster relief will continue to unfold.

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